



## Srinivasa Hatcheries Limited helps boost market share with integrated business processes.

Overview
<b>Srinivasa Hatcheries Limited (SHL)</b> Hyderabad, India
<b>Industry</b> <ul style="list-style-type: none"> <li>Wholesale Distribution &amp; Services</li> </ul>

*“IBM has given SHL the tools with which it can choose the best ERP system for the company. With the right ERP system, we can increase our margins and our market share.”*

—Suresh Rayudu, managing director,  
Srinivasa Hatcheries Limited

**Srinivasa Hatcheries Limited, a partner of Venkateshwara Hatcheries Limited (VHL), produces and markets VHL brand chicks. It produces layer type (BABCOCK) and broiler type (VENCORB). Srinivasa enjoys 100 percent market share for layer chicks and 40 percent market share for broiler chicks in the nine coastal districts of Andhra Pradesh Region.**

### Challenge

Srinivasa Hatcheries Limited (SHL) was seeking ways to increase its operating margins and its market share for Broiler chicks in the region. The company faced several business challenges that it sought to overcome. Many of these stemmed from a lack of integrated business processes and information management within the company.

Being able to measure performance at each stage of the production process is critical to success in the livestock business. However, the company’s lack of integrated business processes and a centralized information management system meant that critical information from various measurement points (mortality, growth numbers, feed & medicine consumption) was neither accurate nor timely. This meant that production-related information flow to Regional Offices and Corporate Office was unreliable, making it difficult to measure operating costs and project growth for the company.

The company lacked overall visibility to and reconciliation of inventory management. Material inventories were common for more than one legal entity within the company, making reconciliation of material consumption per entity a huge undertaking at the end of each quarter. There were few controls over intra-company material transactions, making it difficult to follow inventory or materials from one entity to another.

Demand planning and forecasting was also an area lacking integration and enterprise-wide visibility. Unlike Layer chickens, where commitment from the farmers (SHL’s customers) is registered at the beginning of the year and few changes are made, the Broiler market is entirely supply driven. There are no advance commitments from the farmers, who themselves respond to the market.

SHL set out to remedy these problems with the ultimate goal of increasing its operating margin and market share for Broiler chicks in the region. To do this it needed a seamless integration of business processes within the organization. It also needed to improve information flow and inventory management throughout the organization.



While the company knew that an integrated Enterprise Resource Planning (ERP) system would likely resolve many of its issues, it first needed to establish the requirements for implementing such a system.

### **Solution**

Srinivasa Hatcheries Limited (SHL) engaged IBM Global Business Services to help it address the business requirements in preparation for implementing an ERP system for the company. IBM worked with SHL to document its existing business processes and to evaluate those processes and identify gaps. IBM also assessed the company's current IT infrastructure and identified IT requirements and specifications for implementing an ERP system. Finally, IBM assisted in developing the request for proposals (RFP) and in selecting the ERP system.

### **Benefits**

IBM has given SHL the tools with which it can choose the best ERP system for the company. By first documenting the company's existing business processes and gaps within them, IBM enabled the company to choose the ERP system that would best fill those gaps. By implementing a state-of-the-art ERP system, SHL will be able to automate many of its business processes, saving time and money, to help lower its operating costs and increase its margins. Improved forecasting will help the company expand its operations and gain market share in the Broiler chicken market.

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Route 100  
Somers, NY 10589  
U.S.A.

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