Business Challenge

To minimize risk as it ramped up capital-intensive infrastructure projects, Dilip Buildcon targeted tighter control over costs—but siloed ways of working made it difficult to identify efficiencies.

Transformation

Working with IBM, Dilip Buildcon deployed integrated, standardized workflows, powered by SAP S/4HANA applications running on a managed IBM Cloud™.

Business benefits:

Decreased
costs, delivering USD 7 million in annual savings

5% reduction
in working capital, increasing liquidity and reducing risk

Up to 50%
faster solution deployment thanks to IBM accelerators

Dilip Buildcon Limited

Fueling India's growth with integrated, cost-efficient management for major infrastructure projects

Founded in 1987 and headquartered in Bhopal, India, Dilip Buildcon Limited has grown to become the largest builder of roads in the country. With operations in roads and highways, urban development, mining and irrigation, Dilip Buildcon Limited employs more than 35,000 people.

"It gives me satisfaction and pride to have realized our dream of bringing technology into what we do best, and also to have partnered with the best global players—IBM and SAP—in this area."

Devendra Jain,

Executive Director and CEO,

Dilip Buildcon Limited

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Targeting growth opportunities

India's economic growth is projected to reach 7.5 percent by 2020. Critical infrastructure projects such as road- and bridge-building continue to be a key enabler of the country's fast-paced development, creating multi-million-dollar opportunities for engineering and construction businesses.

As India's economy has taken off, Dilip Buildcon has grown rapidly along with it, and the company employs more than 35,000 people and works on over 40 projects per year. To continue its fast-paced expansion, Dilip Buildcon aims to increase the number of major infrastructure projects it takes on each year.

Devendra Goyal, General Manager at Dilip Buildcon Limited, elaborates: "There is a huge focus on infrastructure projects in India, and investing in this area presents challenges as well as opportunities. Our costs, such as raw materials, power and fuel, often total as much as 50 percent of our annual revenue.

"Because our working capital requirements are so high, effective control over our spending is crucial, particularly as we aim to work on many more large-scale projects in parallel."

In the past, Dilip Buildcon relied on manual, decentralized processes to drive its operations across India.

With more than 65 sites and thousands of employees, this approach was making it difficult to gain a single, accurate view of assets, liabilities and capital across the business, increasing the company's exposure to liquidity risks.

Making cost-effective procurement decisions also presented significant challenges. Because the company lacked deep visibility into its supplier relationships, it was unable to ensure a consistent and cost-efficient approach to negotiating contracts and purchasing materials. Without insight into where raw materials were across the business, there was also no way to identify opportunities to move unused inventory to close gaps in other parts of the organization.

Devendra Goyal continues: "Without strong business controls in place, it was clear that continuing to scale our business would introduce significant risks. To solve the challenges, we set out to build standardized, integrated business processes."

Driving a digital transformation

To support the target way of working, Dilip Buildcon selected SAP S/4HANA—an intelligent, automated ERP platform.

With applications for business intelligence, finance and controlling, human resources, material management and more, the SAP S/4HANA solution enables Dilip Buildcon to manage its business processes from end-to-end on a single, best-of-breed platform.

Combined with the SAP BusinessObjects Business Intelligence Suite, the solution offers accurate, timely operational insights at the touch of a button.

Sandeep Pote, Head of IT at Dilip Buildcon Limited, recalls: "We chose SAP S/4HANA because it is designed to harness big data.

"We knew that the ability to access—and act on—reliable information quickly would be essential to manage our risk as we took on a growing number of capital-intensive projects. With SAP S/4HANA, we can achieve exactly that."

To avoid the need for significant up-front capital investments in IT infrastructure, Dilip Buildcon decided to deploy SAP S/4HANA on IBM Cloud for SAP Applications—a fully managed solution.

Additionally, this approach would reduce the need for the company to assemble a large infrastructure team, and instead focus resources on value-added tasks.

"Many of the cloud providers we evaluated were only able to offer an infrastructure-as-a-service solution, which would have required us to devote significant time and resources to the management of our SAP solutions," explains Sandeep Pote. "With IBM Cloud for SAP Applications, IBM handles all the application management on our behalf, which frees us to focus on delivering value to the business.

"We see that IBM is one of the world's leading cloud providers, and the close, strategic relationship between IBM and SAP gave us the confidence that the IBM

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>
> **Karan Suryavanshi**
> Head of Business Development
> Dilip Buildcon Limited

Cloud was the optimal platform for our SAP S/4HANA solution."

Sandeep Pote adds: "Moving to a single cloud-based system to run the entire business means that downtime is simply not an option. Thanks to IBM Cloud for SAP Applications we have a service-level agreement for 99.99 percent uptime—giving us peace of mind that our mission-critical business systems are available 24/7."

Creating new workflows

To design its digital business processes and configure its SAP applications to support the new workflows, Dilip Buildcon engaged a team from IBM. By adopting

the IBM Ascend methodology for SAP application development, the IBM team helped Dilip Buildcon to steer its digital transformation project through successive stages of design, development, testing and validation.

Powered by best-practice engineering principles such as Design Thinking, Agile and DevOps, the SAP Application Development methodology enabled IBM to accelerate key deliverables for Dilip Buildcon, including SAP management dashboards, by up to 50 percent.

Following a big-bang go-live, Dilip Buildcon launched its SAP S/4HANA solution to more than 35,000 employees—one of the largest deployments of SAP solutions in India.

"Throughout the deployment process, we were very impressed by the breadth and depth of the IBM team's experience and industry expertise," comments Sandeep Pote.

"Our SAP S/4HANA deployment was complex, and required significant customization, but IBM helped us navigate each stage of the project effectively. We were particularly impressed by the IBM team's competencies in the areas of change management and knowledge-transfer, which were extremely important for a digital transformation project of this scale."

Devendra Jain Executive Director and Chief Executive Officer at Dilip Buildcon Limited, adds: "I am glad to have taken the decision to undertake our business transformation starting with the SAP S/4HANA journey, about two and a half years back. Ever since then, IBM has been a trusted partner for us. By providing the relevant industry and technical expertise at all critical stages of the project, and by working closely with all Dilip Buildcon stakeholders, IBM ensured that we were executing this journey together.

"Ours is one of the largest deployments in our Industry in India. To me, the functions that have made the best use of this solution are Asset Management, Fuel & Procurement and Project Management—especially in contracts and billing, human resources and production. Dashboards in the solution will help me personally to make decisions. It gives me satisfaction and pride to have realized our dream of bringing technology into what we do best, and also to have partnered with the best global players—IBM and SAP—in this area too, like the rest of our business."

Laying a foundation for growth

Since embracing integrated business processes, driven by SAP S/4HANA in the IBM Cloud, Dilip Buildcon has gained unprecedented visibility into its operations across India. Equipped with these insights, the company is revealing opportunities to improve its cost-effectiveness—reducing the business risk of its fast-paced growth.

"SAP S/4HANA has already helped us drive fundamental changes to the way we work," explains Devendra Goyal.

"Because we now have an accurate, timely view of our assets and inventory, we can forecast our requirements for spare parts and raw materials with a higher degree of accuracy, and maintain optimal inventory levels in each part of the organization. Improved forecasting has helped reduce our working capital requirements by five percent, which will enable us to invest in additional infrastructure projects."

In the past, each Dilip Buildcon procurement team negotiated with suppliers individually.

Today, the company uses SAP S/4HANA to drive all procurement and supplier relationship management processes from a central point, empowering it to identify opportunities to reduce costs.

"In many cases, we found that we were purchasing the same materials from suppliers under significantly different terms

and at significantly different price points," comments Devendra Goyal.

Devendra Goyal continues: "Armed with this knowledge, we successfully negotiated with some of our largest suppliers to ensure we were getting the volume discounts we were entitled to. These negotiations, supported by insights from SAP S/4HANA, have helped us to reduce our costs by the equivalent of USD 7 million per year. As our revenues continue to grow year-on-year, this saving will only become more significant."

Self-service drives efficiency

Data-driven decision-making is now becoming commonplace throughout Dilip Buildcon. More than 6,000 employees are actively using self-service portals in SAP S/4HANA, and the company's managers now run employee performance reviews based on metrics from SAP dashboards.

Devendra Goyal comments: "Every part of the organization is now running on data. The ability to gain a real-time view of our operations is especially important for our senior executives, who can now back up their decisions with insight, not just instinct."

The majority of Dilip Buildcon's employees work in the field—and looking ahead, the company plans to use SAP Fiori to put the power of its SAP solutions into the hands of its remote employees.

"Delays to construction projects can quickly become extremely costly, and we are always looking for innovative ways to reduce that risk," explains Sandeep Pote. "As a result, one of our first use cases for SAP Fiori will be to enable engineers working on-site to update the status of a project directly via their mobile devices."

Dilip Buildcon also sees great potential in using SAP Fiori to deliver a mobile asset management solution. This will allow the company to gain faster insight into the condition of its assets, and transition toward a preventative maintenance model—boosting asset availability and further reducing the risk of delays.

Karan Suryavanshi, Head of Business Development at Dilip Buildcon, comments: "We started the journey with IBM and SAP almost two and a half years back, and while we knew it would be a challenging journey, the kind of value that has been added has been immense.

"We now have more streamlined operations and enhanced visibility into the operations at an activity level. For an organization like ours, this is critical since it helps us expand and scale much faster. Our people are now more confident of achieving their goals.

"SAP S/4HANA was the sole product we had in mind while we started, and our faith in the solution has now been fully justified. IBM has been a trusted advisor and has worked very closely with everyone in the organization to make this a success.

"We intend to continue the journey and expect that the value created will be further enhanced."

Devendra Goyal concludes: "National infrastructure projects are one of the driving forces of India's economic success. The operational efficiencies we've achieved with our IBM and SAP solutions are enabling us take on more construction projects than ever—ensuring we continue to play an important role in the future of the country."

"With IBM Cloud for SAP Applications, IBM handles all the application management on our behalf, which frees us to focus on delivering value to the business."

Sandeep Pote
Head of IT
Dilip Buildcon Limited

Learn more, connect with IBM 🐦 ▶️ **and SAP** 🐦 ▶️

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