



Digital Transformation Project

9th December 2020

OVERVIEW

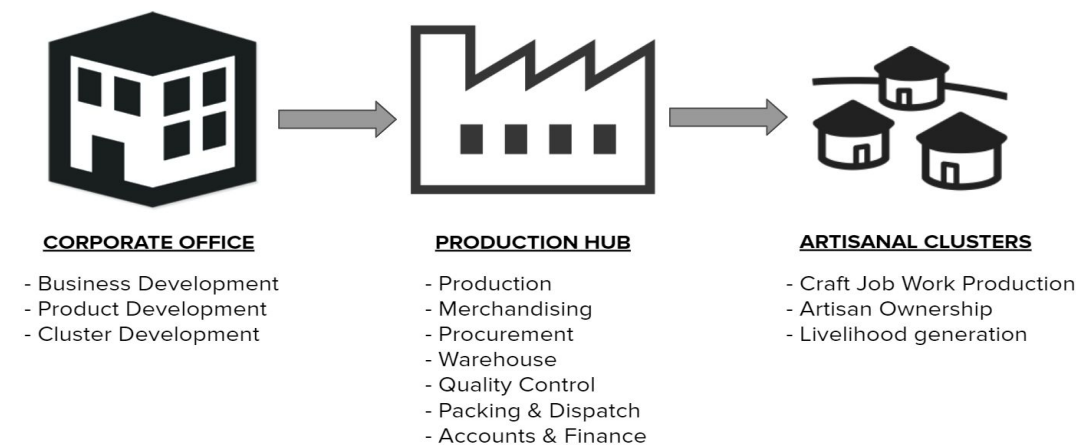
RangSutra Crafts India Limited, founded in 2006, is an artisan owned social enterprise. The artisans we work with belong to rural and socially backward communities. RangSutra acts as a bridge between rural artisans and global consumers. We use the craft techniques to make garments and textile products of premium quality, and sell them to buyers like Fabindia and IKEA. We also have a growing Retail business. Our head office is in Bikaner and corporate office in Delhi. Major production hubs include - Western Rajasthan and Eastern UP.

RangSutra is experiencing more than 25% y-o-y growth for three consecutive years now. Therefore, the moment is ripe to invest in the right technology and IT infrastructure that strengthens our system, aids us in taking the leap forward and provides us competitive advantage in the crafts and textile sector. We are looking for digitization and automation of our business operations. Our operations are similar to a garment manufacturing company, but since most work happens in remote village centers spread across craft clusters in the country, there are operational and cultural challenges.

In this light, we invite proposals by [qualified vendors](#) who can implement ERP solutions for the organisation as per the scope given below, and support for a period of 2 years. The ERP solution should be a well established one, with wide clientele and implementation across sectors, especially in the textile sector. It should preferably be an open source based software.

BACKGROUND

RCIL, has its Corporate Office in Delhi which spearheads all the Business Development activities. Its main production hub is in Bikaner, also the Head Office, where all the production orders are executed. The hub also coordinates directly with all artisanal clusters in Rajasthan and other parts of the country for production related activities.



Following business verticals and functional areas operate from the Corporate Office:

1. Retail Business - Marketing and Operations
2. Business Development - B2B (existing buyers)
3. New Business Development
4. Product Development & Design
5. Cluster Development
6. Finance and Strategy
7. Operations
8. Human Resources

The senior leadership team operates from the Corporate Office, while supporting teams are stationed out of respective Production Hubs and Clusters. Below is the list of RCIL's Production Hubs and Artisanal Clusters:

Production Hub	Artisanal Clusters	
Bikaner, Rajasthan	Weaving Centres, Rajasthan	Imphal, Manipur
Barmer, Rajasthan	Churu, Rajasthan	Pune, Maharashtra
Varanasi, U.P.	Hardoi, U.P.	Jammu & Kashmir

Production Hubs - are the centres where RCIL has offices and other production activities also take place apart from craft production. Currently, only Bikaner Hub handles both domestic and international shipments. Thus, the term Production Hub will be used in reference to Bikaner Hub for our understanding.

Rangсутra has close to 100 employees, ERP users - 30, craft managers - 20, artisans: 600-800 active artisans with whom Rangсутra is working directly on a regular basis. The new system may need to be rolled out to the craft managers to manage Field Operations related transactions, so the users may increase.

With the changing business scenario and environment, Rangсутra decided to focus on internal operations and take initiative towards Business Transformation. Under this, we are studying current processes and systems, document them and derive standard procedures. The aim is to introduce process improvement through manual and technological interventions.

Recent interventions in this regard have been, adoption of inventory management software and introduction of G suite productivity tools to the employees. For financial management, we use Tally ERP. Problem arises because these are stand alone solutions with no interface between them, making the information flow untimely and unreliable.

OBJECTIVES

The main objectives of this project are:

1. Improve Data and Information Flow
2. Improve Decision Making
3. Increase Operational Efficiency
4. To bring process orientation

PROJECT SCOPE

Phase 1 - Core ERP

1. Sales B2B & B2C

- 1.1. Manage B2B orders (order to cash) cycle
- 1.2. Integrate B2C orders from the retail sales system

2. Procurement

2.1. Order Management

The solution should cover all Made to Order processes starting from creation of a sales (buyer) order, bill of material, purchase order, GRN, job work orders for various manufacturing processes, generating issue/receive challans, along with E-way Bill generation capabilities to ensure GST compliance.

2.2. Supplier Management

The requirement is to manage supplier information for verification, future use (price discovery, negotiations), assess supplier performance and gain pricing advantage.

3. Production & Quality Management

Systematically plan and execute multiple garment orders in a distributed supply chain.

3.1. Capacity Planning & Production Scheduling

The ERP should capture pre production planning information with respect to material, cost and time. It should allow for planning of process level and production hub capacity to execute orders.

As the orders are received, they need to be scheduled across production hubs and clusters with respect to production capacity of each process, while ensuring that all centres of production get adequate work throughout the year. This process should take care of buyer scheduled processes which include planned inspections, sample submissions and delivery date.

3.2. Production Tracking & Monitoring

Once the planning level information is available, the system should enable tracking of actual production status against planned production. The production tracker should be available on a real time basis across the user base (production executive, manager, senior management).

3.3. Quality Management

The system should allow for Quality Planning, Assurance and Control. Rangsutra has internal testing facilities also. It should enable raising notifications against order ID, in case of quality issues, so that timely action can be taken.

Along with this the artisan level production is to be included in the core module.

3.4. Field Operations

- Rangsutra works directly with artisans for craft based processes mainly hand embroidery in all three major production hubs. The production takes place in a village craft center, where 20-30 artisans are organised under a Craft Manager. Pieces ready for embroidery are taken from the factory to these centres. The craft managers maintain records for stock, artisan work and attendance. They compile artisan payment every month and also act as quality managers. Payments are done in artisan accounts every month, thus artisan information also needs to be maintained.

4. Member Management & Social Impact

Rangсутra is a community owned enterprise. The artisans we work with are not just job workers, but also shareholders in the company. There are approximately 2000 artisan shareholders. Therefore, there is a need to maintain an Artisan Database, perform Artisan KYC to update the information of each artisan every year, maintain Artisan Lifecycle Information in the Rangсутra system from getting training to working on Rangсутra orders to becoming shareholders. This will help ascertain the social impact Rangсутra has created with its livelihood and income generation activities.

5. Warehouse & Inventory Management

have an efficient warehouse management system, inventory valuation, easy inventory issue and receive, and stock reports. Seamlessly linked with production, procurement and financial management systems. Manage inventory at all stages - raw material, work in process and finished goods.

6. Finance & Accounts

Currently, Tally ERP is being used to maintain accounting data. The system is not connected to the inventory management software, has a single location licence, works offline and requires manual journal entry. The proposed solution should be a simpler system connected with the other modules which automates manual data entry and reconciliations.

6.1. Centralised Accounting System with Admin Panel

Rangсутra has a distributed supply chain. As we grow across clusters, more offices will be set up. Thus, the accounting system followed should be the same across all offices. For this a centralised accounting system with an Admin Panel to control system data and data entry, follow similar policies, take necessary authorisations, is required.

6.2. Cash & Bank Management

- Manage cash flow and cash in hand
- Match journal entries against bank account statements to reconcile all transactions conducted via bank account.

6.3. Supplier Payments

- The Accounts Team should maintain a supplier KYC, so that the operations team can update supplier information for payments and conduct required verifications systematically.
- Supplier Bill Passing and adjustment of Debit notes against payments need to be automated
- Compilation of Accounts Receivables and Payables Report with bill aging

6.4. Artisan Payments

Easy compilation of artisan payments for direct operations (mainly hand embroidery) every month and payment to artisan bank accounts upon authorisation from the operations team.

6.5. Asset Management

Maintain record of organisation's assets, its current value and depreciation.

6.6. Expense & Cost Control

Control the overhead expense for production and administrative purposes both.

6.7. Financial MIS

Have a strong financial MIS for Business Analysis apart from just Financial Statement reporting

6.8. Budgeting

Budgeting exercises are conducted yearly. Every department and cluster raises monthly demand for finance. These monthly demands and actual expenditures should be checked against yearly budgets.

7. MIS Reports & Dashboards

Get timely and accurate data & reports from all functional areas and production hubs, to track performance and aid decision making.

KPI, KRA, Business Scorecard, Monthly MIS for all managers, Cluster Reports,

Phase 2

(To be worked on later. Kept in scope for design and future integration purposes only)

1. **Human Resources** - manage employee database, manage basic HR processes efficiently
2. **Social & Environment Impact - Projects**
3. **Project Management** - Project Finance, Cluster Development, Project Delivery
4. **Extended Supply Chain Management** - develop a Supplier Relationship Portal for developed artisan groups and dedicated suppliers, and extended ERP for affiliated groups

NON FUNCTIONAL REQUIREMENTS

The scope mentioned above might be difficult to meet through one solution. So, the idea is to have:

1. Seamlessly integrated application with core operating model
2. User friendly UI/UX - with least data entry, simple forms, use of ICONS
3. Cloud based applications with online sync
4. Applications should work across devices - mobiles, tablets, desktops
5. Enabling IT infrastructure

MILESTONES

The project would follow a typical System Development Life Cycle with following deliverables:

S. No	Milestone	Activity	Deliverable
1	Analyze	- Clarify Requirements - Understand Current Process - Develop Changes to Business Processes - Develop Business Use Cases, Process Models, Data Models	1. System Requirements 2. Use Cases and Test Cases
2	Design	- Translate Requirements into System Specifications - Application Architecture and Design	1. Application Designs module wise
3	Build	- Develop the application (code & configuration) - Procurement of enabling infrastructure - Unit testing	1. Application with configuration and customisation
4	Testing & Integration	- Create Test Cases - Defect Tracking and Logging	1. Test Results 2. Sign Off by Business
5	Data Migration	- Migrate existing master and transaction data	1. Data migration results
6	Training	- User Trainings & Workshops	1. System and User Documentation

7	Deploy	- GO LIVE - Support	1. Go Live Checklist
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Project Timeline

- Analysis: 2-3 weeks
- Design: 3-4 weeks
- Build: 7-8 weeks
- Test: 3-4 weeks
- Deploy: 1-2 weeks
- **Total project duration: 16-24 weeks**

ABOUT THE VENDOR

The project has been briefly explained above. To execute this and make it successful, we are looking for consultant/consulting firm who would:

- Understand the business model and requirements
- Setup Project Management team for execution/implementation
- Formulate the Application and IT Strategy in line with the business objectives
- Recommend and procure most suitable applications and infrastructure
- Design and implement the final solution
- Execute User training and Change management for the business
- Setup Ongoing maintenance and support function

Qualifications:

- Individual Consultants and IT/ERP Solutions and Service providers (oriented towards SMBs) both are eligible to apply.
- Minimum 10 years experience in Technology and Management Consulting space.
- At least 2 full ERP Implementation in Textile, Garments, Craft Sector. Specific experience in supply chain businesses and textile/ retail industry is a plus.
- Understanding of latest technology - cloud applications, low code ecosystem, new trends in ERP app development, big data etc.
- Ability to leverage various project delivery methodologies like Agile.
- Experience in business process automation, project and program management.
- Demonstrated ability to deliver ERP and Digital Transformation projects on time and within budget.

Travel to Delhi and main production hubs will be required during main phases of the Project

Payment Terms - as per milestone

Understanding of People, Process and Technology is the key for Digital Transformation. For Rangсутra, people are the core, and process and technology enablers. Rangсутra is a model with some standard business practices, while a lot of it is unique to us. The consultant should be able to grasp not just the scale of operations but also the impact of our work. This will be the guiding light in formulation of any strategy and effective solution.

- Organisation Deck by the 15th December
- Final Submissions of proposals by 31st December
- There will be a Q&A session on the 16th or 17th of December to answer any clarifications that are required.

In the meantime if you have any questions please contact

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