



A Real Estate Developer's Tryst With IT

What difference can an ERP system possibly make to the business of a property developer, you may wonder. Read on to know how Raja Group, a Bengaluru-based real estate firm significantly benefited by switching to an ERP solution and streamlining its entire business, function by function.

After enjoying phenomenal success in its trading business, the management of the Raja Group identified real estate development in Bengaluru as a market with good potential for growth. The firm's journey into this new domain began in 1995, with the launch of Raja Housing Limited.

Accuracy and optimum utilisation of time in the organisation's processes have been the two key thrust areas for Raja Housing. Hence it went the IT route to achieve standardisation across functions. Initially, until 2010, Excel and Tally were the only software that Raja Housing used. But to address the growing complexity of how its different departments function, the company decided to switch to Tally.ERP 9 last year. This ERP system has integrated its different departments like marketing, purchase and accounts. To keep abreast with the changes in technology, the company has even upgraded its ERP system to the latest version of the software—Tally.ERP 9 Release 3.0.

The marketing initiatives get a facelift, courtesy IT

At first, the company was hesitant about some aspects of the ERP system. But BE Solutions, The Master Tally Partner helped in overcoming the management's doubts. BE Solutions created a mix of solutions and provided the Raja Group with a customised package. The BE team suggested that in addition to the selected modules to automate departments like accounts and production, a customer relationship management (CRM) module would help the marketing team. According to Raja Datta, Joint Managing Director, Raja Housing Limited, "We were doubtful about how the CRM system could play a role in

streamlining and bolstering our marketing initiatives." "The team from BE Solutions explained how the CRM solution could help record and retrieve information about customers in a few seconds," says Kishor S, Enterprise Solutions Manager, B E Solutions. Prior to the deployment of the CRM solution, the employees at Raja Housing used to record the basic information about potential customers who called up and enquired about the projects. A marketing executive would then get back to the prospects and provide all the information about the projects, and again, would note down information like the area the customer belonged to, the preferred price range and the amenities that the potential customer was interested in.

During the course of these interactions, if a few potential customers were undecided about making a purchase decision and stopped communicating with the organisation, quite often the executives tended to forget about these leads and stopped following up. "To address this bottleneck, we have now configured the software to give us reminders about such customers who are genuinely interested but are unsure about the project. They may have forgotten about us too, while enquiring about other projects. We follow up with them and check whether they are interested. There are many customers we might have lost, if it weren't for the reminders!" Datta confesses. The database also makes it easier to locate interested candidates when existing customers decide to cancel the booking they had made for a flat.

While speaking to customers, the management is also able to view the overall client history with respect to payments made,

dues pending, deals completed, and so on, at the click of a mouse, which was not possible with Excel. "Many of our customers call us often to enquire about the status of construction or to seek information about payments that need to be made. We were unable to provide this information, on-the-fly, and this would result in repeated calls from both sides. Now, all the information can be generated easily and this saves us a lot of time and labour," explains a relieved Datta.

The ERP system also helps the team to stay clear of unhealthy competition. Datta explains: "In one case, when we got more than 10 calls from the same number, on different days, enquiring about the services that we offered, we understood that it could have been from a research associate trying to source information, stealthily. We have now made a policy to convey only restricted information to callers."

Speedy execution of tasks across departments

Apart from streamlining the marketing function, the ERP solution has also helped Raja Housing to quickly implement tasks, and ensure transparency across other departments and functions. Let's see How.

Aiding the purchase department with MIS reports:

A procurement module has also been included in the solutions package. This makes it possible to generate comparative management information system (MIS) statements of materials before their purchase from suppliers. For example, before buying cement, employees in the purchase department of Raja Housing can record details gathered from many suppliers about the rate and quality of the cement. A comparative analysis is done and a report shows the three lowest quotes as L1, L2 and L3. This enables the management and purchase team to do a comparative analysis on all purchases before an approval is given.

Accurate estimates of resources required for a project:

Raja Housing is now able to keep a limit on the amount of resources that go into a project. Previously, it was not an easy task to keep track of the quantity of materials already supplied as it was recorded in multiple bills. Datta explains, "For instance, we may have set a limit of 10 tonnes of steel. We may have supplied 5 tonnes and 3 tonnes on different days. Subsequently when there is a request from the project site for 5 more tonnes, we would often not realise that we have over shot the limit. Now, we have a bill of quantity (BOQ) integrated with the Tally.ERP 9 Release 3.0, which records all this information and generates alerts when the limit is crossed. This way, we can ask the site managers why the extra materials are required. This helps us a lot in optimising our resources."

The impact of the ERP system on purchase order execution:

The ERP system has also made it possible to exchange purchase orders (Pos) easily between vendors and the management. "Now, POs can easily be sent by e-mail for approval. It used to be a time consuming task earlier. Once the PO was prepared, it had to be scanned and sent through fax or e-mail. Now, it can be sent directly from the system and the receiving parties can check it from their mobile phones.

Approvals are quicker now and this has considerably increased the efficiency of the organisation. There is no room for miscommunication as the PO also includes information about those who have done the comparative analysis, given approval, prepared the PO, etc," Datta states. This has also reduced the organisation's carbon footprint by drastically cutting down the amount of paper used. "We did use too much stationery earlier," adds Datta.

Streamlined finances with minimal human intervention and support:

Till a few years ago, when Raja Housing did not have so many projects to handle, it had a team of three employees in its accounts department to manage the book of accounts. Surprisingly, in spite of the exponential growth that the organisation has experienced of late, it is managing with the same number of employees. "We did not feel the need to increase manpower as Tally.ERP 9 Release 3.0 has simplified our work," comments Datta.



Raja Datta
Raja Housing

The ERP provides a feature that helps to prepare cost estimates for a project, easily. "You can enter the amount of steel, cement, sand and other resources required and the estimate is calculated in no time. Even during construction, we can easily find out the total purchases up to a particular date, or within a given period. This task was earlier done manually and such reports required time," Datta adds. The latest version also comes with a duplication feature that enables the organisation to prepare vouchers with the flexibility of making minor changes if and when required. Datta elaborates, "This is a handy feature for preparing salary slips and vouchers every month. Now, the accounts team is not required to enter the same data every month. They just change a few variables and the task gets done quickly."



Kishor S
B E Solutions

Customised for the future

The entire solution cost Raja Housing nearly Rs 5 lakh. Apart from this, the firm pays an additional yearly fee of 18 per cent on the initial cost. Since it has been only a few weeks since the company upgraded to the latest version of the Tally.ERP 9 software, it would be too soon to say anything about the ROI, feels Datta. Kishor S of B E Solutions says, "We are waiting for users at Raja Housing to get entirely acquainted with the different features of the new version of the ERP system and identify gaps in their functioning, if any. We soon plan to provide them with customised solutions for registration and customers' installments as well."

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