

# Dialing into Global Growth

*Essar Group Succeeds with Aggressive Four-Month Implementation of JDA Solutions to Launch Unique, New Telecom Retail Chain*

## Essar Group Fast Facts

**Headquarters**  
Mumbai, India

**Industry**  
Telecommunications retailer

**Description**  
Essar Group is one of India's largest corporate houses with interests in steel, oil and gas, power, shipping, construction, business process outsourcing and telecommunications. Its new mobile communications business, Essar Telecom Retail Ltd., provides handsets, services and accessories to customers via a network of company-owned and managed stores.

**Revenues**  
\$6 Billion (U.S.)

***"We believe that JDA solutions will enable us to integrate business processes across departments onto a single enterprise-wide information system. While considering a broad range of factors, we weighted functional fit, time scale for delivery and our confidence in the vendor's ability to deliver benefits as the most important. JDA outscored SAP in these and other categories to secure our business."***

**- Mr. Rajiv Agarwal, CEO,  
Essar Telecom Retail Ltd.**

## Business Challenge

With plans to open 150 stores by the end of March 2007 and up to 2,500 over the next three years, Essar Group realized it needed a suite of proven, functionally rich software applications to launch, operate and aggressively expand its exciting new retail format.

## Business Solution

Already live with core JDA applications, Essar Retail Ltd. will use the following JDA solutions to improve coordination across functional departments and increase efficiencies:

- Merchandise Management System-I (MMS®)
- Win/DSS®
- JDA® Customer Relationship Management
- Performance Analysis by IDEAS
- JDA® Enterprise Planning powered by Arthur®, including JDA® Enterprise Knowledge Base
- Space & Category Management solutions, including Space Planning and Floor Planning by Intactix® and Intactix® Knowledge Base
- Advanced Warehouse Replenishment and Advanced Store Replenishment by E3®

## Real Results

- Went live with MMS and Win/DSS at 15 stores within an aggressive four-month period, staying on budget and two weeks ahead of schedule
- Anticipated benefits with completion of the next rollout at 150 stores:
  - Enhanced forecast capabilities
  - Increased conversion rates, revenues and loyalty
  - Improved customer service
  - Reduced operating costs
  - Lowered inventory control and carrying costs
  - Increased inventory turns
  - Reduced help desk support costs





"India's mobile subscriber base is increasing phenomenally every year – one customer is added every second," said India Communications Minister Dayanidhi Maran in a January 2007 news report<sup>1</sup>. While Indian consumers are driving an unprecedented mobile revolution, their shopping experience has been somewhat archaic. Consumers eager for the latest products have been forced to visit a separate business for each key purchase, including handsets, service, accessories and repairs. This approach has recently been revitalized thanks to Essar Group, one of India's largest corporate houses with an asset base in excess of U.S. \$6 Billion and interests in steel, oil and gas, power, shipping, construction, business process outsourcing and telecommunications.

Essar Group is transforming the way that Indian consumers buy mobile products

and services with a nation-wide network of company-owned and managed stores. Essar Telecom Retail Ltd. provides a unique one-stop shopping environment that is both interactive and fun. Now Indian consumers can find a comprehensive range of products, brands and services at competitive prices and value deals – all under one roof.

### **Essar Partners with JDA to Fast-Track Growth of New Chain**

With plans to open 150 stores by the end of March 2007, and up to 2,500 in the next three years, Essar Group selected a suite of proven, functionally rich software applications from JDA Software Group to launch, operate and aggressively expand its exciting new retail format. Already operational with core JDA applications,

Essar Telecom Retail will use JDA's merchandising, store, customer relationship management, planning, replenishment and analytic applications to improve coordination across functional departments and increase its efficiencies of doing business.

"We believe that JDA solutions will enable us to integrate business processes across departments onto a single enterprise-wide information system," said Mr. Rajiv Agarwal, CEO of Essar Telecom Retail. "We expect that the immediate benefit from implementing JDA systems will be reduced operating costs, such as lower inventory control costs, lower inventory carrying costs, higher inventory turns and lower help desk support costs."

## JDA Outscores SAP, Oracle to Win Essar Business

Essar Group selected JDA after a rigorous review. An RFP process resulted in a shortlist of three software providers: JDA, Oracle and SAP. After discussions with each vendor on implementation approach, timescales and cost of ownership, Essar narrowed the list to JDA and SAP. They then took a critical look at each vendor.

“While we considered a broad range of factors, we weighted functional fit, time scale for delivery and our confidence in the vendor’s ability to deliver benefits as the most important. JDA outscored SAP in these and other categories to secure our business,” said Mr. Agarwal.

With JDA garnering the highest score, Essar Group licensed the following suite of JDA products:

- Merchandise Management System-I (MMS®)
- Win/DSS®

- JDA® Customer Relationship Management
- Performance Analysis by IDEAS
- JDA® Enterprise Planning powered by Arthur®, including JDA® Enterprise Knowledge Base
- Space & Category Management solutions, including Space Planning and Floor Planning by Intactix® and Intactix® Knowledge Base
- Replenishment solutions including Advanced Warehouse Replenishment and Advanced Store Replenishment by E3®

## Essar’s Initial Go-Live Two Weeks Ahead of Schedule

For the first phase of its implementation at 15 stores, Essar committed to only modifying those capabilities that were essential to Essar Telecom’s competitive advantage. This strategy proved to be on target as the Essar and JDA team, with implementation and post go-live support

from partner HCL, went live with the integrated host-to-point-of-sale MMS and Win/DSS software, within an aggressive four-month timeframe.

Rating the overall project management from JDA as “excellent,” Mr. Vijay Mehra, Group CIO of Essar, says the team maintained strict control over quality, timeline, budget and risk by testing the applications’ business process readiness, operability, performance, resilience and user acceptance. Such meticulous scrutiny was critical since the MMS and Win/DSS applications facilitate the day-to-day management of Essar’s retail operations and nurture the establishment of its backbone data warehouses. Even with all of these thorough processes and commitment to quality, the team still went live two weeks ahead of schedule!

“To achieve every planned milestone on budget and in less time than we had allotted is a truly outstanding accomplishment,” said Rod Talbot, JDA’s regional vice president for Asia Pacific.





“We are proud to be part of such an exemplary implementation and congratulate all of those involved from Essar Group and HCL.”

Mr. Mehra also acknowledges the support and executive leadership of its Steering Committee as being key to the project’s success.

“There was very clear communication and alignment between our Steering Committee and implementation team. We all understood the project’s objectives, measurable goals and milestones as well as the reasons driving its urgency. Everyone’s roles, responsibilities and performance measurements were clearly defined and communicated,” said Mr. Mehra.

### **Essar to Increase Conversion Rates, Revenues and Consumer Loyalty**

Essar Telecom’s executives look forward to realizing a substantial business benefit from its JDA investment.

“We want Essar Telecom to be top of mind with Indian consumers for anything to do with mobile phones or services,” said Mr. Agarwal. “JDA solutions will enhance our ability to intelligently forecast and efficiently respond to consumer demand at a lower level of detail. With convenient access to enterprise data, we’ll have up-to-the-minute information for better decision

making and control. In addition to providing a superior experience for our customers, we expect to increase conversion rates, revenues and loyalty.”

Now that the initial stores are operational with JDA applications, Essar will next rollout additional functionality and applications at the 150 stores planned to be open by the end of March 2007. Mr. Agarwal and Mr. Mehra say that they will follow a timeline that supports their business priorities, preferences and other conditions to ensure the long-term success of India’s innovative, new retail chain.

“JDA is proud to partner with the world-class Essar Group as they leverage the explosive telecom opportunity in India,” said Mr. Talbot. “We look forward to helping Essar Telecom Retail continue to realize real results with new efficiencies, cost savings and sales growth as they implement additional JDA solutions and expand their business.”



<sup>1</sup> “India’s booming telecom sector gets multi-billion-dollar investment,” January 18, 2007, Agence France-Presse (AFP).

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