

Case Study: ERP Adoption at SaSha

Note: Dr. Shrikant Mulik (Director, Vidyarjan Academy Pvt. Ltd.) prepared this simplified case study to help beginners learn ERPNext through hands-on exercises. The characters and events depicted in this case study are entirely fictitious.

Episode 1: The ERP Dilemma

“I don’t think we should move ahead with this right now,” Sanika said firmly. “Yes, we are growing, but we haven’t yet reached a stage where we truly need an ERP system. We can revisit the idea after a year or two.”

Shama was not convinced. “I agree that timing is important,” she replied, “but before rejecting the idea, we should understand what ERPNext can actually do for us. Let’s involve the rest of the team and take a collective decision.”

After a brief pause, Sanika nodded. “Fair enough. Let’s discuss it with Namrata, Noor, and Nancy.”

SaSha had started as a small partnership between two childhood friends, Sanika and Shama. Both had completed Master of Science (MSc) degrees and shared a deep passion for science education. Instead of pursuing conventional careers in medicine or engineering, they began conducting science and mathematics tuition classes for schoolchildren in their neighbourhood. Their teaching approach emphasized experiential learning, where students performed experiments, themselves using real laboratory equipment.

The response from students and parents was overwhelmingly positive. Soon, the principal of a local school approached them to supply equipment for the school labs. The initiative was funded through a Corporate Social Responsibility (CSR) grant from a local business.

What began as a modest educational initiative gradually revealed a scalable business opportunity. Supplying lab equipment through CSR projects generated revenue while remaining closely aligned with their mission of improving science education. Encouraged by the growing demand, Sanika and Shama formally established their partnership firm, SaSha.

Within a few years, the company’s annual revenue crossed ₹10 lakh (₹1 million). As operations expanded, they began building a small but capable team. Nancy joined first to manage accounting and finance, followed by Noor, who took charge of procurement and inventory management. The latest addition was Namrata, an ambitious sales professional determined to help SaSha triple its annual revenue within next two years.

While the core team worked full-time, Sasha also engaged college students such as Ketki and Sarang on a part-time basis to support ad-hoc activities whenever required. After Shama completed a 20-minute presentation on ERPNext, Nancy spoke first.

“I’m completely in favour of implementing ERPNext.”

Sanika looked surprised. “That’s unexpected. How did ‘Dr No’ agree so quickly?”

Nancy smiled. The nickname reflected her usual reluctance toward adopting new systems.

“It’s actually a coincidence,” she explained. “I’ve been discussing integrated software solutions with some of my peers, and several of them recommended ERPNext.”

Encouraged by Nancy’s response, Shama turned toward Namrata and Noor.

Namrata responded first. “I haven’t used ERPNext before, but we definitely need a system to streamline sales and delivery processes. I’m on board.”

Noor added, “I’ve worked with ERP systems like SAP before, but they’re far beyond our budget. ERPNext seems much more suitable for our scale and requirements.”

Sanika listened carefully before replying.

“I understand all your points. But I’ve heard too many stories about ERP implementations failing — in both small and large organizations.”

Shama acknowledged the concern. “That risk definitely exists. But not implementing an ERP system could become an even bigger risk in the long run. I suggest Nancy lead this initiative.”

Nancy agreed. “Since none of us has hands-on ERP implementation experience, I recommend hiring my friend Sharad. He has implemented ERPNext for several organizations.”

Sanika laughed. “Now I understand why ‘Dr No’ is suddenly so enthusiastic.”

The meeting ended on a lighter note — with laughter, optimism, and a decision to move forward with ERPNext.

Episode 2: Laying the Foundation

Sharad felt slightly uncomfortable during his first meeting with the SaSha team, having never worked with an entirely female client team before. However, the initial awkwardness quickly gave way to professional respect. Although the team claimed to be new to ERPNext, Sharad soon realized that they had prepared thoroughly for the implementation.

Impressed by their readiness, Sharad recommended starting with a cloud-based ERPNext deployment. While Sanika remained somewhat cautious, the rest of the team agreed with the proposal.

The implementation began with importing master data, including customers, suppliers, and item records. Nancy shared the data in Excel format. After Sharad demonstrated the ERPNext data import tool, Nancy independently completed the remaining imports.

The opening inventory was entered using the Stock Reconciliation feature:



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Item	Warehouse	Quantity	Valuation Rate
Newton's Cradle	Products -> Physics	100 units	₹1,500 per unit
Student Microscope	Products -> Biology	100 units	₹1,000 per unit
5V DC Motor	Products -> Physics	500 units	₹10 per unit
Magnet Set	Products -> Physics	200 units	₹200 per unit
pH Paper	Products -> Chemistry	100 packs	₹300 per pack
9V Battery	Products -> Physics	50 units	₹200 per unit

Nancy then reviewed the default Chart of Accounts provided by ERPNext. She found it largely adequate, requiring only a few additional ledgers, including one for the company's bank account with State Bank of India (SBI).

Since there were no outstanding sales or purchase invoices at the time of implementation, only opening balances were recorded:

Account	Opening Balance
Equity	₹1,00,000
Bank Balance	₹2,15,000
Cash	₹50,000
Loan from Directors	₹5,00,000

With the master data, inventory, and accounting structure in place, ERPNext was ready for live operations.

Episode 3: Managing the Sales Process in ERPNext

Soon after the implementation, one of SaSha's existing customers, Tilak Tutorials, requested 50 units of Newton's Cradle with a condition of 20% advance payment. The team decided to execute the entire quotation-to-payment cycle within ERPNext.

As the first step, Namrata created a quotation worth ₹1,00,000 and shared it with the customer. After receiving confirmation, she converted the quotation into a Sales Order in ERPNext.

Noor then verified inventory availability and generated the Delivery Note. Nancy subsequently created and emailed the Sales Invoice to the client.

The customer made the payment promptly, and Nancy recorded the receipt in the system, successfully completing the entire transaction cycle — from quotation to payment — within ERPNext.

A few days later, Namrata received a call from Mr. Ramesh Parab, a trustee of Sindhu Educational Trust (SET). SaSha had recently signed a one-year agreement with SET for supplying 1,000 microscopes at a pre-negotiated price of ₹1,500 per unit.

Mr. Parab informed Namrata that SET would soon place its first purchase order for 50 microscopes and required immediate delivery. Unlike the earlier order from Tilak Tutorials, SET would not pay any advance but would settle the payment immediately after delivery.

The team executed the entire process smoothly in ERPNext without any operational issues.

After completing these two transactions, the team began appreciating the value of an integrated system that connected sales, inventory, and accounting through a single workflow.

Episode 4: Streamlining Procurement in ERPNext

Traditionally, SaSha procured materials only after receiving confirmed customer orders. Since these purchases were often urgent, Noor felt that the company was unable to negotiate favourable prices with suppliers.

When Namrata mentioned that an order for nearly 200 student microscopes was likely within the next month, Noor proposed introducing a more structured procurement process using the following workflow:

Material Request → Request for Quotation → Supplier Quotation

After receiving verbal approval from Sanika and Shama, Noor initiated the process in coordination with Nancy.

The team received quotations from two existing suppliers at ₹1,100 and ₹1,000 per microscope. However, a new supplier, Samuel Enterprises, offered a significantly lower price of ₹900 per unit.

Based on this quotation, Noor decided to purchase 150 student microscopes from Samuel Enterprises and completed the procurement process in ERPNext.

A few weeks later, Samuel Enterprises approached Noor with another proposal. They were clearing excess inventory and offered 300 microscopes at ₹700 per unit, provided SaSha purchased the entire quantity.

Although the offer appeared attractive, Noor was concerned that locking up cash in inventory might affect SaSha's ability to fulfil customer orders involving other products.

To estimate potential demand, she consulted Namrata, who reached out to her sales network and projected demand for nearly 500 microscopes over the next couple of months.

During a discussion with Sanika and Shama, Shama expressed concern regarding the quality of microscopes being offered at such a steep discount. Noor proposed adding a Quality Inspection

step to the procurement process. Shama further suggested negotiating staggered deliveries instead of accepting all 300 units at once.

After the supplier agreed to deliver the material in two equal batches, Noor finalized the purchase order.

She also contacted Ketki, a freelance associate working with SaSha, and requested her to conduct quality inspections before acceptance of the goods.

Noor defined two inspection criteria: Build Quality and Magnification. She instructed Ketki that the batch should be accepted only if the build quality was satisfactory, and the magnification fell between 40x and 400x for all the microscopes. Incidentally, both deliveries passed inspection without any quality issues, and all items were accepted.

Although the supplier issued two separate invoices for the deliveries, the SaSha team made a single consolidated payment against both invoices.

Since Ketki worked as a freelancer, she submitted an invoice of ₹15,000 for the inspection work. Nancy initially recorded the payment under miscellaneous expenses but also requested Noor to include the inspection cost in the valuation of the 300 microscopes to obtain more accurate product costing information.

After successfully executing these procurement transactions, the team gained confidence in using ERPNext for purchasing, inventory management, quality management, and accounting integration.

Episode 5: Integrating Sales and Procurement Processes

Namrata strongly believed that Sindhu Educational Trust (SET) would soon place a large order for student microscopes. Since SaSha already held substantial microscope inventory, the team was eagerly awaiting the order.

The order finally arrived — 600 microscopes with 50% advance payment.

Noor was pleased that the accumulated inventory could now be utilized effectively. However, she also realized that additional procurement would still be necessary to fulfil the entire order.

She immediately contacted Samuel Enterprises for replenishment stock. The supplier offered a discounted rate of ₹800 per microscope, provided SaSha purchased at least 200 units in a single order and a single delivery.

After discussing the proposal with the team, Noor requested a formal quotation and completed the procurement cycle in ERPNext. Quality inspection was performed as a standard step during procurement. Ketki was once again involved and was paid ₹10,000.

Once the purchase process was completed, the team made the delivery of 600 microscopes to SET in one go.

Sanika and Shama were particularly satisfied that ERPNext provided complete transparency across the interconnected sales and procurement activities.

Later that week, Namrata contacted Tilak Tutorials to gather feedback on the earlier supply of 50 Newton's Cradles.

Not only did the customer express satisfaction with the product quality, but they also requested a quotation for additional items. Namrata promptly prepared and submitted the quotation through ERPNext.

Item	Quantity	Rate
Newton's Cradle	100 units	₹2,000 per unit
Magnet Set	200 units	₹250 per unit
pH Paper	200 packs	₹350 per pack

After the quotation was approved, the team began execution. The first delivery was completed using available stock. For making the second delivery, Sasha's team purchased additional items at the same rate as the earlier procurement.

Although invoices were generated separately for both deliveries, the customer made a single consolidated payment covering the entire order.

Episode 6: Consolidation and Future Direction

As SaSha continued using ERPNext across departments, the team became increasingly confident in the system's capabilities.

During a review meeting, everyone agreed that ERPNext had significantly improved operational visibility, coordination, and process discipline.

Nancy and Noor suggested introducing customizations to better suit their workflows. However, Sanika advised caution.

"Let's continue using the standard system for at least one year before introducing customizations," she said. "We should first understand our processes thoroughly before changing the software."

The team agreed with her approach and decided to strengthen their ERP knowledge through structured online training programs.

SaSha's ERP journey had evolved from initial skepticism to disciplined adoption. By implementing ERPNext gradually and collaboratively, the company had established a strong operational foundation for future growth.