

Business Transformation through process optimization and system utilization

About the company

The client, a Business conglomerate headquartered in India runs major business divisions to service different segments of customers through its unique products. Existing business model deploys Make-to-order approach with typical lead time of 90 to 120 days. The current inventory planning based on each projects with procurement lead times. The received customer orders are acknowledged within 48 hours with delivery commitment to customer.

Business Objectives

To Improve operational and organization effectiveness and efficiency through process optimization and System utilization.

Business Situation

- Poor visibility on the working capital leads to increased process and order cycle time.
- Reduced service levels attributed to lack of Production and Inventory Planning.
- Poor definition of Master data (Material masters, planning and schedule masters) resulting to reduced customer order responsiveness.
- ~20,000 SKUs. 1200 customers across Europe, APAC and US markets

The solution

- Master Data Governance: Defined Benchmark for Material master definition with SOP's and clear SLAs for functional teams to enrich Materials management master data maintenance process.
- Operational Visibility: Defined process standards for each functional areas – procure-to-pay, production planning, order-to-cash, account postings (AP&AR) and Inventory Valuations with KPIs to improve the operational efficiencies.
- Inventory Definition: Designed the inventory sourcing policy for procurement from various suppliers through centralized procurement team to address differential service level requirement for the customer channels.
- Production Planning and Dynamic Scheduling: Defined planning strategy and scheduling mechanism for the resources (Material, Machine and people) to improve production efficiency and capacity utilization

Business Benefits

- Improved Working capital visibility resulted in reduced overall order cycle time by 20%
- Introduction of operational analytics in the business system provided opportunities for Process Audit and Improvements.
- Communication Strategy and workflow resulted in improved Master data governance.