

Supply Chain Transformation for Auto Spares OEM

About the company

The client is a major auto spares distributor based in India. The company supplies spares for trucks and buses.

Business objectives

Identify key levers of improvements across the operations value chain, quantify the benefits and recommend a roadmap for improvement.

Business complexities

- Being the only Parts Distribution Center for all markets in India, order to customer delivery lead time was on higher side
- Order management process was sub-optimal leading to higher order processing time
- Rapid business growth was putting pressure on the existing warehouse operations and its capability to serve customers on time
- Improper inventory planning was resulting in lower service level at higher stock value

Project highlights

- Order Management Process Design: Order processing logic was improved to reduce order processing time
- Inventory Planning: As-Is Inventory planning process was studied and improvements were suggested. Inventory balancing need was identified to improve service level at same stock value
- Warehouse Area Estimation: Future area estimation was done basis business growth rates and current storage practices
- Warehouse Process Improvements: As-Is processes were studied and improvements were suggested to improve warehouse productivity and reduce order execution lead time and touch time
- Distribution Network Optimization: Potential locations for network expansion were analyzed and most suitable location was suggested to reduce delivery lead time

Value delivered to the client

- Warehouse process improvement recommendations resulted in 74% improvement in productivity
- Inventory balancing activity resulted in improvement in inventory efficiency by 62%
- Improved service level at same stock value by inventory balancing
- Facilitated in reducing order processing lead time and order processing touch time