Stellium

Warehouse Management Improvement for the Logistics Centre of an M&HCV major

Capabilities Created

Implemented SAP EWM System and digitized warehouse operations to improve the client's future scalability.

Summary

Stellium digitized the Client's business operations moving from paper based system to paperless system and replaced the existing warehouse management system using SAP EWM for advanced warehouse management to reduce turnaround time and improve business scalability

About our Client

The client is one of the major players in the Commercial Vehicles segment worldwide particularly in India. Currently the company has annual revenues of over ₹30 billion and is a pioneer in the commercial vehicle segment coming up with a multitude of initiatives in its evolution over its rich three decade history.
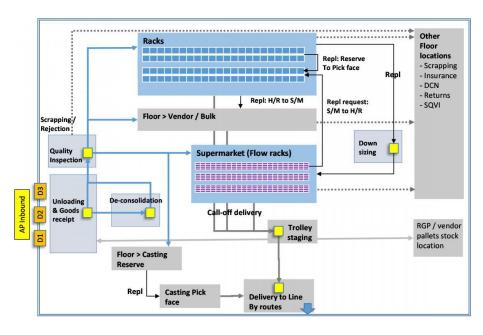
The challenge

The Client had realized that its Warehouse Management System was antiquated to cater to its current requirements. The paper-based operations for warehouse processes followed by the client caused huge bottlenecks in its assembly lines. The business risks associated with the client's existing process introduced the problem of scalability. This implied the Client had to improve its existing ERP system and streamline the warehouse operations.

Key Highlights

As the first step, Stellium along with the client went through the overall process flow and identified certain key processes and functions to target. Then, each of these processes was studied comprehensively to identify the key metrics that would define them along with their target values.

Overall Process Flow

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The key processes identified from the above method were Inbound Process, Replenishment, Line feeding and other internal processes including physical inventory process, returns and scrapping process, spares sales process and returnable packaging process. For implementing the EWM, the warehouse structure was physically defined to be mapped in the system.

The Key Performance Indices that were identified include the Truck Turnaround time, Inventory accuracy, On Time Delivery, Report Accuracy, Seamless transaction, Data Integrity, Label Accuracy and Paperless Operation. All these metrics except the last one were targeted to be made 100%, meaning there is no scope for failure anywhere. Complete paperless operation because of the nature of the Client's demands and the costs involved would not be profitable if targeted at 100%. Hence number of paper based transaction was targeted to be reduced to half as that of the existing operations.

A 4-Tier system landscape that consists of separate Development, Testing, Quality and Production systems was maintained. All changes to customizing data and objects were done in the Development System with the corresponding changes to be transported to the Testing and Quality Systems.

The Outcome

- Successful implementation of SAP EWM, replacing the existing WMS integrating it with the existing SAP systems
- Identified the metrics in the value chain defining the KPIs for targeting business impact
- Digitized warehouse operations adopting a futuristic view to business scalability and growth as per forecasts