

Fast Improvement in Inventory Management and Supply Chain Processes



SITUATION

Misalignment between business and technology affecting the supply chain and distribution network.

IMPACT

Issues with balancing fill rates and working capital to manage inventory build-up across the supply network.

RESOLUTION

Built-in standardized supply chain process models and practices that account for dynamic market and industry challenges.

The Customer

Our customer is the one of the largest diverse businesses in India, with operations including FMCG, Hotels, IT and agriculture. It has been rated among the top 10 brands in India. We worked with one of the fastest growing divisions of the organization, growing at a rate of 20% CAGR per annum.

Challenges

- Existing supply chain models challenged by the dynamic nature of the business environment
- Supply chain practices and process not flexible enough different scenarios
- Lack of alignment between business and technology creating supply chain complexity
- Need to increase sales and customer satisfaction by enhancing supply chain reliability.
- Lack of defined standard processes and inventory optimization



Solution: Strategic Business Consulting for Supply Chain Planning

ITC Infotech engaged with the customer to help mitigate supply chain and inventory management challenges using targeted and intense supply chain management techniques. We diagnosed and initiated a whole suite of corrective actions that positively impacted our customer's fill rates at the wholesaler-dealer (WD) level. Our objective was to improve inventory management and maintain fill rates to satisfy customers, while not affecting the working capital adversely.

Our customer's business is rapidly growing and runs on a "complex outsourced" supply chain model that deals with multiple contract manufacturing units. In such a scenario, our customer fill rates were down to 30-35% level at the wholesale distributor level across categories. To help improve our customer's model, we identified three key areas of improvement – improve the fill rate, restructure the supply chain network to make it flexible and more optimized, and inventory optimization. We implemented proven supply chain methodologies and practices to remove any anomalies and optimize inventory management and the product portfolio. The engagement involved multiple strategies including:

- A two-week dipstick study and health assessment of the supply chain which involved a root cause analysis to identify and prioritize the pain points. We employed a hypothesis-based diagnostic approach and detailed gap identification to better plan future implementations.
- Solution design for targeted improvement in areas such as product portfolio rationalization, supply chain network restructuring, inventory planning, production planning and key performance indicators (KPI) definition
- Business Process redesign and improvements that would help sustain the targeted improvements despite a challenging and dynamic business environment

Each step involved a detailed and frequent review of the product portfolio. We delivered true business value by assessing our customer's real data and created solution accelerators such as SKU-Allocation frameworks and supply chain diagnostic templates.

Highlights

- Complex requirements were detailed, designed and developed
- Each process and model has been designed to accommodate future needs

Benefits

- Better optimized inventory
- Enhanced customer satisfaction
- Overall improvement in supply chain and inventory planning process
- 75%-80% improvements on existing fill rates over a period of two months
- Improved brand perception
- High reduction in inventory costs

ITC Infotech's Business Consulting Practice

The Business Consulting Group (BCG) at ITC Infotech is a converging point for business & IT solutions. We aim to transform business performance, bringing a strategic perspective on process improvement and IT enablement. Our team blends domain experts and consultants, bringing unique capabilities to discover and resolve business concerns of the day.

Our expertise spans Consumer Goods, Retail, Process Industry, Logistics & Transportation, across key business functions such as product development, production, supply chain management, sales and marketing management, field force management, and customer relationship management.

For more information, please write to:
contact.us@itcinfotech.com

www.itcinfotech.com