

Supply Chain Performance Excellence



Modern Trade Fill rate improvement assignment for one of the largest FMCG company in India

Client

- The largest FMCG company in India, growing at a rate of more than 20 % YOY in Modern Trade Format

Requirement

- Large SKU base with high percentage of changeovers
- Moderate volume fill rates
- Study the AS-IS process, perform root cause analysis for the drop in fill-rate and provide recommendations to enhance the fill-rate

Our Solution

- Demand Estimate process redesign for improved accuracy
- Promotions cycle alignment with S&OP cycle
- Centralized Order processing system to improve system efficiency and minimize Master Issues
- Design Dashboards and Reports with multiple Continuous Improvement Programs(CIPs) for better visibility & Focus

Business Benefits

- Significant improvement in fill rates and expected to reach more than 90% shortly
- Better visibility of KPIs enabling business to take proactive decisions
- Reduction in stock DnD
- TAT reduction for master amendments
- Modern Trader Business Supply Chain made more agile & flexible

General Trade Outlet fill rate improvement for a leading FMCG company in India

Client

- One of the largest FMCG companies in India

Requirement

- Our client has been facing outlet fill rate issue in general trade. They have aggressive expansion plan and the need of the hour was to understand the lacuna of the existing system. Have internal target for GT Outlet Fill Rate of about 93~95%, against which the current aggregate performance is around 85%
- Outlet fill rate is indicative of the lost sales at the last mile

- Difficulty in identifying the root causes of fill rate drop & quantifying them (for example: loss due to supply issue or distributor work practice & planning issue)
- Each distributor was different in term of business size, local constraint, nature of people, geography, system maturity, etc., thus one fit solution was not applicable
- Client has a principal to principal relationship with the distributor, the challenge was to make the distributor understand the significance of outlet fill-rate and make him agree to the proposed changes in the processes & work practices

Our Solution

- Identified and quantified the issues till level 3 (level 1: supply issue/ downstream issue, level 2:order/delivery management, etc.,)
- Process improvement to existing distributor management system (SIFY), handheld order taking system (Android based).
- Re-design the distributor practices related to Outlet Order Capture, Delivery Planning & Execution, and Order Management in the System
- Recommended KRA & KPI structure, dashboards & reports required for performance monitoring in real time
- Recommended re-designing the system for automatically quantify the fill rate loss reasons, & for real time measurement of fill rate

Business Benefits

- Anticipated improvement in sales as true demand is to be captured
- Reduction in sales loss due to increased market serviceability (On time in full)
- Better control as visibility gained into roles and activities of each business user [(ITC SCM dept/ Sales dept), Distributor]
- Uncovered hidden root causes & enablement of performance measurement & reporting across the organization with appropriate access to data depending on roles/organizational hierarchy

Supply Chain Analytics Services (DCOS) for one of the largest FMCG company in India

Client

- One of the largest FMCG companies in India, it owns and markets 3 out of India's top 5 CPG brands

Requirement

- Complex supply chain decision making processes
- Manage S&OP process for more than 20 CPG categories
- Demand planning, supply planning and execution
- Inventory Management and Planning to ensure high fill rates and fresh stocks to customers while lowering overall chain pipeline
- Data Analysis and MIS Reporting to aid business in Supply Chain planning, execution, performance enhancement decisions
- Ensuring correct Master Data in SAP for demand planning, supply planning, stock deliveries, BW reporting and execution

Our Solution

- Set up a dedicated team of analysts and supply chain experts to analyse, design, re-engineer, improve and report supply chain performance through a custom-built framework
- Inventory planning and optimization to ensure right quantity of stocks at each node of the supply chain to cater to demand and supply variability as per desired service level
- Design new KPIs and dashboards for Supply Chain Performance measurement
- Analyzing and improving process to ensure high Fill Rates and high freshness of stocks to customers
- Support S&OP processes on an ongoing basis
- Provided logic for demand forecasting at an aggregate level and disaggregation to customer product day level in SAP APO as per clients requirements
- Validating business inputs related demand planning, validating master data in SAP for supply of stocks to customers as per plan on an ongoing basis and ensuring demand propagation to factories from customers as per network

Business Benefits

- Improved Stock Fill Rates (~55% to ~80%) with no additional inventory in the pipeline
- Customer out-of-stock situations and subsequent loss in sales reduced from 8% to less than 4%

- 15% improvement in MAPE in demand forecast accuracy
- Centralized demand planning and estimation basis S&OP consensus plan
- Improved Supply Chain Performance through enhanced visibility, analysis & continuous improvement

Sourcing/ dispatch & warehouse space optimization for a leading agriculture product business in India

Client

- A leading agricultural products exporter with focus on export & domestic trading of products like Soya meal, Wheat, Shrimps and Prawns, Fruit Purees/ Concentrates, IQF/ Frozen Fruits, Organic Fruit Products, Coffee etc.

Business Requirement

- Multiple marketplaces of procurement spread across India and delivery to multiple factories – increasing sourcing locations, warehouses, wheat varieties and 'dispatch to' factories
- 3 months (in a year) availability window of major varieties of wheat leading to 75% procurement in 100 days from highly dynamic markets with price varying daily
- Complex tax structure in India and different local taxes & rents at different states
- Frequent government intervention on wheat pricing leading to complexity.

Our Solution

- Suggest deciding the best network to serve the demand based on the prevailing prices in the market
- Optimized network considering end to end costs elements involved in the supply chain
- basic costs, labor charges, different taxes
- bagging charges, warehousing charges, inward and outward freights
- Consider the substitutability options among various varieties
- Select best mode of transport (Rail or Road) for various supply locations
- Suggest optimized warehousing locations.

Business Benefits

- Best sourcing network to serve the demand based on the prices and availability at different

marketplaces leading to 2-3% reduction in total cost

- Suggested the best mode of transportation (rail/road) among different options available for various flour mills.
- Best warehousing locations for the stocks before dispatch considering both existing infrastructure and leasing options
- Dispatch Plan based on weekly stock and monthly demand leading to 7-8% reduction in outbound costs

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Network optimization for A leading FMCG company in India Network optimization

Client

- Client is one of the leading FMCG company in India and is growing at a very fast pace YoY.

Business Requirement

- Mature integrated planning system - demand planning, supply planning, production planning and MRP.
- SAP integrating the production locations and various echelons present till service to market
- Introducing many new product variants in a highly dynamic and competitive market
- Low margin and high challenges like high responsiveness and improved fill rate
- Network needs to be flexible and adaptive to absorb cost implications as well as supportive to fast growth of business in long run.

Our Solution

- Decide a network considering end to end cost and real time constraints of the value chain
- Exhaustive roadmap for strategic initiatives for next 5 years based the long term plan
- Plan for the capacity enhancement/ addition in next one year and related tactical network decisions
- Detail out the monthly planning and RCCP activities from which production and network inputs were given to SAP APO for cost effective and efficient supply planning execution.
- Costs incorporated - sourcing, taxes, conversion and transportation cost

Business Benefits

- Capacity expansion and new facility opening decisions in next 5 years in time phased manner
- Network optimization and giving a solution for increasing direct serve to market
- Suggesting utilization of centralized Hubs based on product categories and demand variation

- Inventory reduction by 15% across the supply chain
- Recommended short term optimization potential by 1.03% and long term optimization potential by 2.4%.

Supply Chain Performance management model definition for a leading Beverage company

Client

- One of the world's largest beverage company with global operations

Business Requirement

- Inconsistent excel based reporting did not show the true performance of the organization
- Misaligned supply chain - Functions operating in silos
- Inconsistent performance measures across the organization
- Inability to adopt change in business structure within a short time
- Inability to perform root cause analysis and preempt supply chain aberrations

Our Solution

- Establish guideline for Supply Chain Performance Management solution
- Identified industry standard and relevant SC Performance Measures aligned with Business strategy
- Employed our Decisions-To-KPIs framework to identify analytics areas and create a list of KPIs
- Implemented identified KPIs on SAP SCPM product by identifying right data sources, enabling process changes to capture relevant information
- Reduced the implementation time by using pre-built templates and accelerators for SAP SCPM

Business Benefits

- Enabled consistent reporting and performance measurement across the organization with appropriate access to data depending on roles/organizational hierarchy
- Uncovered hidden costs by reporting on all business transactions that directly or indirectly affected the organization.
- Enabled consistency, automation and actionable information
- Enabled process performance measurement for integration exercise