

Network Optimization prepares leading FMCG player for future growth



SITUATION

The customer needed a flexible and adaptive supply chain network for futuristic growth.

IMPACT

The existing supply chain network was not cost effective in the dynamic market that had stiff competition.

RESOLUTION

We devised a solution model that considered end-to-end cost and we detailed out monthly and yearly plans for capacity enhancement and execution of supply chain plans.

The Customer

The customer is a leading Indian FMCG company with rapid yearly business growth attributed to 3x increase in the overall sales in last 5 years.



The Need

The current market is very dynamic with stiff competition resulting in low margin and challenges like high responsiveness, improved fill rate etc. Though the customer had a mature ERP integrated planning system, they required a futuristic supply chain network to introduce their new variants in the market. The network had to be flexible and adaptive to absorb cost implications and support the future growth of the business.

- Inventory reduction by 15% across supply chain
- Recommendation of short term optimization potential by 1.03% and long term optimization potential by 2.4%

The Solution

ITC Infotech's consulting experts provided a successful solution model that considered end-to-end cost and inherent real time constraints of the value chain, and an exhaustive roadmap for strategic initiatives for the next five years, based on the customer's long-term plans. The solution model involved a decision plan for capacity enhancement in next one year and related tactical network decisions. We then detailed out a monthly plan and RCCP activities that provided production and network inputs for cost effective and efficient execution of supply chain plans.

The solution model incorporated costs related to sourcing, taxes, conversion and transportation, and constraints related to serviceability, truck load, product mix loading, capacity and complex tax laws in India. It included variant and sub-variant level product changeovers that made it easily executable.

Business Benefits

- Definition of a network based on cost to serve model
- Optimization of network to increase direct serve to market

About ITC Infotech 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.

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