

**Abstract :**

The client - a leading industrial engine filters manufacturer was facing challenges that are inevitable unless addressed through systematic approach. The challenges were high inventory levels in the supply chain and delayed deliveries. The legacy systems deployed were inadequate to address the challenges. The client realized that to remain competitive in a highly competitive and price sensitive marketplace, some drastic steps were inevitable. KPIT Cummins was invited to help the company. KPIT Cummins consultants were able to study the problems, successfully complete business process improvement initiative, recommend restructuring of the organization, identify and implement ERP solution and provide tangible business benefits for the client including substantial reduction in inventory level of 30% across the supply chain. KPIT Cummins consultants also improved the product development process using an IT solution.

**Challenges**

The company is operating in a highly competitive and price sensitive marketplace and having a large number of filter part numbers was facing multiple challenges due to lack of systematic approach.

The inventory levels across the supply chain were high. Despite high stock levels at manufacturing locations, company warehouses and distributors, delays in delivery was a common phenomenon. The company was having a relatively new plant and there was lack of proper infrastructure. The existing organization structure, business processes and legacy systems in use were inadequate to provide the agility required to face the challenges.

KPIT Cummins was invited to address these challenges using rich experience of business process improvement and proven track record of IT strategy consulting.



## How our strategy consulting helped reduce the inventory by 30% across the supply chain for an Engine Filter manufacturer

**Customer**

A leading industrial engine filters manufacturer with 5 manufacturing facilities and 9 company warehouses having 46 distributors in order fulfillment process.

**Scope of Project**

The scope of the project for KPIT Cummins was defined as business process improvement in two identified business processes, organizational restructuring, IT strategy consulting, recommending and implementing IT solutions and providing post implementation support

**Impact**

The client benefited from the rich experience of KPIT Cummins consultants in business process improvement. The task of business process improvement and implementing new processes using information technology as an enabler was a complex process involving people issues and other challenges.

Client has witnessed substantial business benefits. The most visible benefit is a substantial reduction of 30% in inventory across the supply chain. The process centric organization structure provided business benefits through improved efficiency levels. Cycle times in different processes were reduced. Moreover, indirect savings accrued as a result of reduced human resource requirement.

### The Solution

KPIT Cummins consultants used the proven path of providing the appropriate solution. KPIT Cummins consultants initiated the project by mapping the two existing business processes - "Order fulfillment process" and "Product development process". After mapping the existing business processes, KPIT Cummins consultants challenged each step to identify and eliminate non value adding steps. Manual information generation points were identified that could be automated using IT solutions. The next step was to consolidate various tasks and link them with suitable roles. KPIT Cummins consultants then created refined business processes.

The organization structure was functionally oriented. It was evident that the present organization structure needed to be changed. To achieve the desired business benefits the organization structure had to be process centric. KPIT Cummins consultants used their expertise and experience to come up with the appropriate process centric organization structure. KPIT Cummins consultants were instrumental in undertaking the complex task of change management involving organization restructuring and dealing with challenges created in managing change.

KPIT Cummins Consultants helped the client in identifying and recommending the most suitable IT solutions. The support extended to hardware, software, communication networking, radio frequency links and negotiating for software licences.

After restructuring the organization and creation of requisite IT infrastructure, KPIT Cummins consultants undertook the activities related to implementing ERP solution using the refined business processes. This helped in improving the order fulfillment process. There were many benefits of implementing ERP solutions.

Some of the more important benefits were

- There was no need for internal follow up.
- There was reduction in human intervention due to automation.
- There was effort reduction in data collection and report generation.
- The information for performance review was readily available.
- There was remarkable improvement in communication across the supply chain as ERP generated automated e-mails.
- It was possible to automate supply chain planning.

KPIT Cummins consultants used their expertise and experience in implementing the product development process by implementing Windchill PDM.

### Products Used

- 14 Oracle Modules
- Windchill PDM

KPIT Cummins are a focused, and experienced IT consulting partner for industry leaders across the globe. Our core competencies in the manufacturing vertical include e-Business solutions, enterprise applications, business intelligence and data warehousing, application integration and embedded systems. Benefits of working with KPIT Cummins accrue from:

- Solution experts helping companies succeed
- Applying best industry practices
- Realizing the advantages of the Global Delivery Model (GDM)

Webfront: [http://www.kpitcummins/eit/focus\\_scm.htm](http://www.kpitcummins/eit/focus_scm.htm)

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