



**INFOR WMS SOLUTION FOR
AUTOMOTIVE COMPONENT
MANUFACTURER**

Client's Overview:

Our client is a leading auto component manufacturer, based in India with offices located across Indonesia, Australia, Germany, Europe, China, Japan and Vietnam, supplying a wide range of products to original equipment manufacturers (OEMs) globally. Our client has collaborations and joint ventures with world renowned automobile manufacturers and has a product range comprising of more than 4700 Stock Keeping Units (SKU's) spread across various product categories, meant for a wide range of vehicular as well as non-vehicular and off road applications.

Business Situation and Challenges:

The global automobile industry has been witnessing robust growth in the face of improved global demand which has resulted in increased competition among automotive component manufacturers (ACM), who now faced a new set of challenges to their business models and cost structures. Even in the world's largest market for vehicles, original equipment manufacturers and suppliers have been experiencing poor operating performance, reduced profitability and stiff competition.

Our client too was facing continuous cost pressure created by legislation, competition, increasing risk and stagnating customer demand. Additionally, our client's inventory process from raw material receiving to order fulfillment and shipping of customer orders for automobile parts was handled from two independent warehouses located in different locations. As separate entities, both the warehouses incurred higher costs due to duplication of labor and infrastructure. Also each of the warehouses had separate stand-alone legacy systems resulting in disparate business reporting.

Our client wanted a cost effective single warehouse management solution (WMS) that can streamline the warehouse operations in real time. Our client was looking for an implementation partner with warehouse management knowledge who was also familiar with global automotive sector.

Some of the engagement requirements and challenges:

After discussions with the key stakeholders, our team identified the following requirements and challenges:

- ♦ Identifying the best method for inventory accounting, which acts as a leading indicator for the financial condition of any automobile industry
- ♦ Updating the warehouse operator with the inventory transactions in real time to avoid servicing the cancelled orders which were previously being erroneously shipped to the customer due to time lag between order cancellation and updation of this information in the warehouse systems

- Facilitating quick decisions for warehouse storage capacity space planning to optimize space utilization, which is a key aspect of warehouse management
- Ensuring seamless integration between the existing Infor ERP LN host system with the new Infor WMS
- Developing a mechanism to eliminate false warranty claims of customers which resulted in substantial revenue losses for our client

Xoriant Solution

Xoriant was selected as a partner for this engagement due to our vast experience in analyzing, designing and improving warehouse operations.. Xoriant's team of technical and functional consultants held discussions with the functional experts and end users to understand their pain areas. Our team created test scenarios to determine the most optimal warehouse solution requirements and identified Infor WMS to be the most appropriate package for our client since it provides a range of functionality, since it provided not only the closest match for our client's requirements, but also can be easily customized to satisfy our client's non-standard needs. One of the most important reasons to choose Infor WMS was that Infor WMS provides an optimal way of performing warehouse functions from Receiving to Shipping and is less prone to operational errors, thereby making it as the best solution for our client's warehouse operations.

Xoriant team recommended centralizing the warehouse for reducing inventory holding and carrying cost. We was also analyzed that a centralized WMS system would result in on time shipment and customer deliveries because of availability of complete picture of stock details at the time of booking the orders. Our team prepared a comprehensive project plan including the deadlines and time-schedules for project cutover; 'go live' and handing over of the solution.

Implementation Phases

Due to the complex nature of the engagement Xoriant executed this engagement in a phased approach using a blended onsite-offshore model.

Analysis:

Xoriant analysts studied the detailed processes used in each of the two warehouses prior to merging the two and identified the parameters that influenced overall operation of product tracking, product storage, order management and packing & shipping; as well as the overall system operational parameters. Xoriant teams created the business blueprint creating both 'As-Is' document comprising our client's current master data and processes, and 'To-Be' document incorporating the new processes for mapping the organizational structure, master data and processes in Infor WMS. We also conducted

an assessment to optimize IT investments and demonstrated the savings due to consolidation of orders, shipments and supplies.

Design:

Xoriant consultants worked closely with our client team to draw-up plan for development and customizations in the WMS for their business requirements. Our team held discussions to understand our client’s MIS and statutory reporting requirements to identify reports that needed to be created and customized. This information was documented in Reports Requirement Specification document.

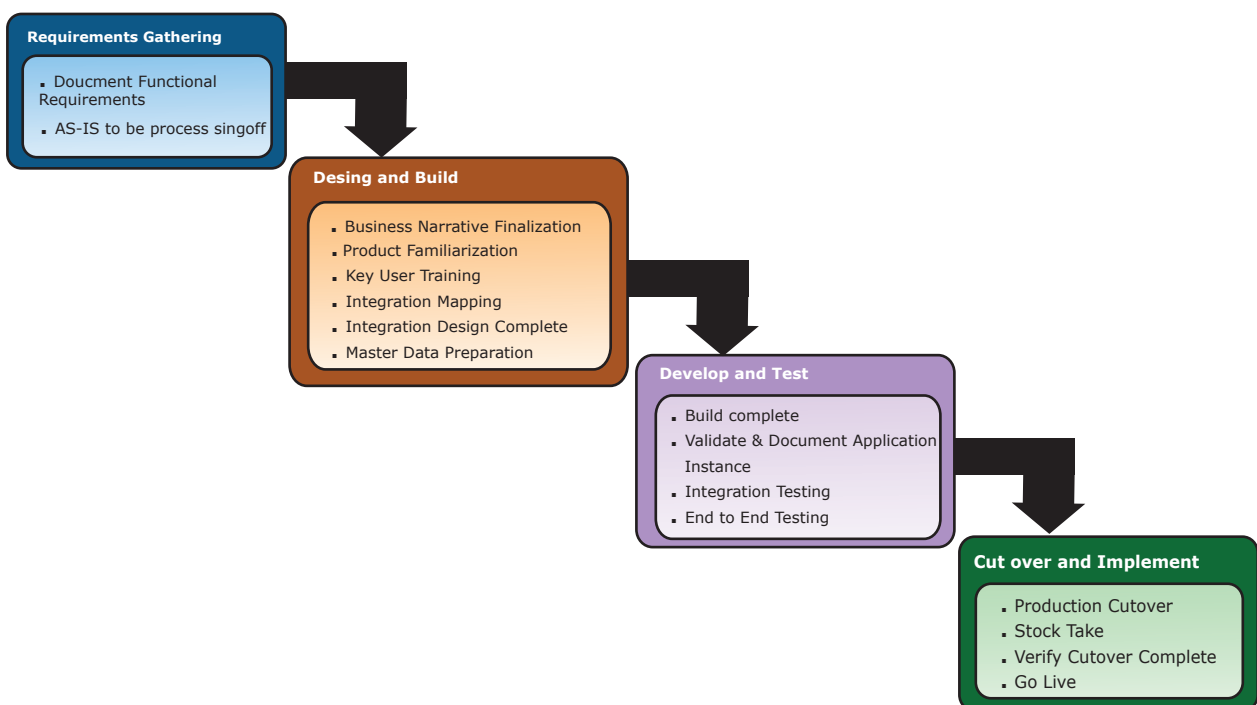
Development and Implementation:

Xoriant team identified the gap between As-Is and To-Be stages and defined the development effort and enhancements to reach the To-Be stage. Our team customized and implemented a centralized Infor WMS package for warehouse functions like Inventory Adjustments and Stock Take Use cycle counting, Task Management, Shipment to warehouse and customers, etc. We also developed an integration platform which enabled our client and their customers to connect its Infor WMS system with its Infor ERP LN

Training

Xoriant team also provided training to our client’s key users to be able to understand the basic functionality, perform WMS software navigation and WMS software setup.

Implementation Methodology



Implementing Infor WMS helped our client manage the work load with available resources, thus allowing them to group the work orders with similar attributes into batches so that orders were received, picked, packed and shipped on time. Single installation of WMS solution was also customized to provide a consolidated reporting system which was consistent with our client's overall business reporting format.

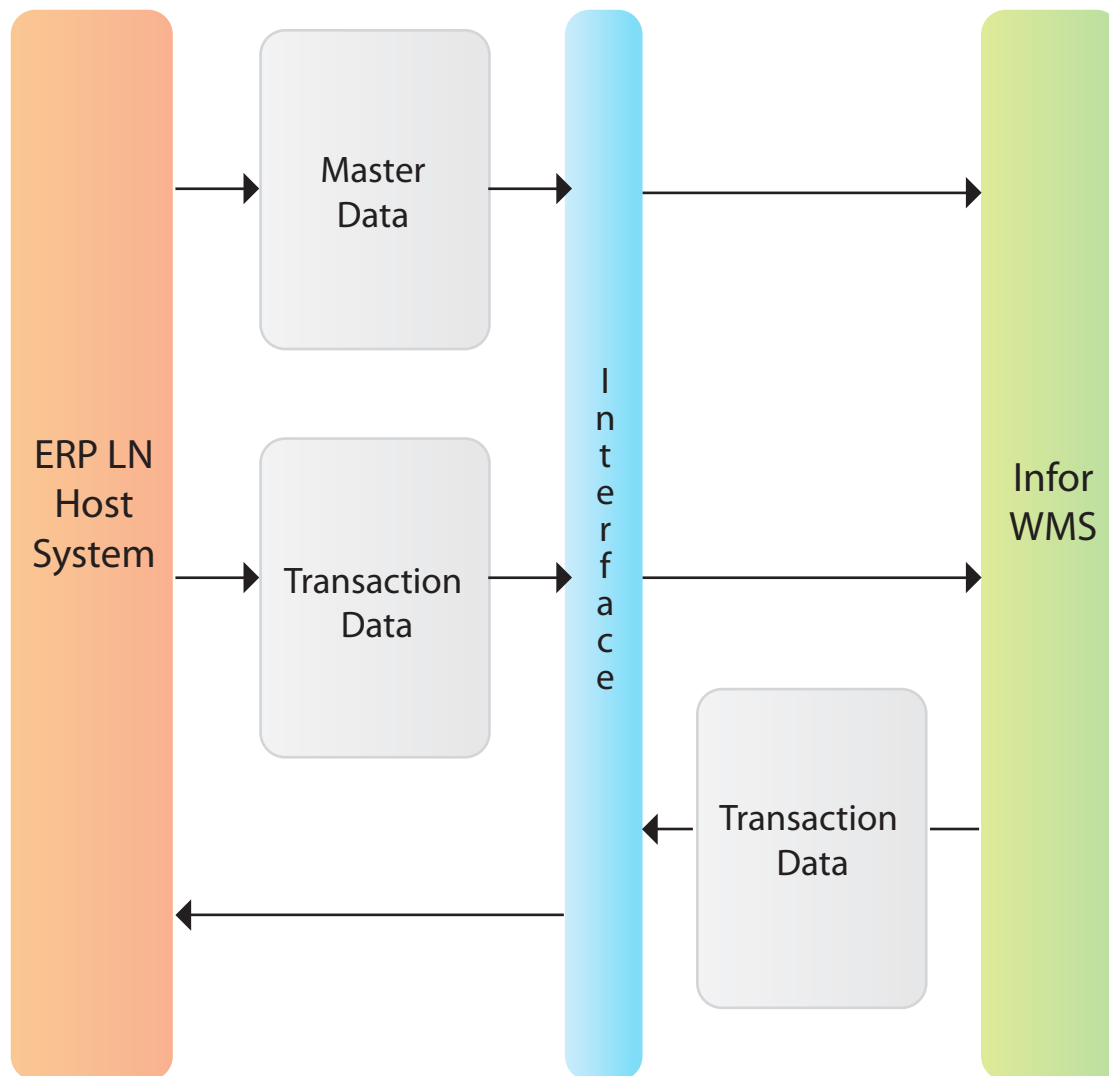
Due to our ability to train and ramp-up resources in minimal time, our client was able to meet customers aggressive delivery schedules despite changing requirements.

Xoriant's key contributions

Some of our key contributions in this assignment were:

- Analyzed past inventory cycles, seasonal fluctuations and frequently varying composition of automotive components, resulting in choice of FIFO as the preferred inventory accounting technique to minimize the inventory holding cost and enable proper inventory rotation
- Designed, developed and implemented framework for seamless integration of ERP LN with Infor WMS allowing near real time data transfer
- Implemented functionality to record and categorize products with respect to inventory ageing, which helped in performing inventory audits and designing better operating policies for smooth functioning of the warehouse,
- Recommended and implemented integration of Infor WMS with handheld devices to capture all operational information like picking, packing, labeling, case pull, case put away, cycle count, etc into a centralized system
- Developed functionality to generate MIS reports for forecasting inventory requirements to enable effective warehouse planning
- Captured detailed component information like serial and lot numbers into the warehouse system to enable servicing only the correct warranty replacement claims in timely manner, which resulted in significant cost savings
- Developed report generating mechanism covering stock receipts and customer returns, the information about which was made available in real time after every warehouse transaction, thus resulting in better inventory visibility & accuracy and improved inventory management

Integration from ERP-LN to Infor WMS



Benefits to Client:

- Increased order fulfillment rate to 96% from an earlier rate of 60%
- Improved shipping accuracy by 10% resulting in higher customer satisfaction and significantly reduced shipping escalations from customer
- Reduced the inventory carrying cost by 20% due to efficient inventory management, post Infor WMS implementation

- Improved inventory turns and significantly reduced out of stock situation due to better warehouse storage planning
- Achieved significant operational cost reduction due to number of factors including existing inventory levels and accuracy, premium shipping costs and personnel required
- Facilitated new product ideas for product development by analyzing the product trends and customer requirements from the reports generated from the WMS system

Client Testimonial

Infor WMS has proven to be an excellent solution to help us realize our business expansion plans. Xoriant's approach was flexible enough to take into account the specific characteristics of our business. While managing the implementation process, Xoriant's team displayed a high level of professionalism to attend to every detail and coordinate various activities between our company and customers. We were confident that we had made the right choice in terms ownership of Infor WMS as the software and Xoriant as our implementation partner

.....Chief Technology Officer