

Surtel Technologies

- Case Study -

Supply Chain Fill Rate Improvement



Surtel Technologies Pvt. Ltd.
Shagun Tower,
Block No. 317-322, III Floor,
Vijay Nagar Square, A B Road,
Indore - 452010, M.P.
India

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies.

Surtel Technologies Pvt. Ltd. Tel: +91-731-4069747

Email: info@surteltechnologies.com

Solution Summary

The fill rates and delivery times are critical in maintaining outstanding customer satisfaction. Surtel's commitment to rapid solutions dramatically increased the client's first-time fill rates by 20% after eight weeks. The client also achieved process improvements that reduced manual intervention in the manufacturing planning system by 60%.

Solution Profile

Our client's aftermarket parts division handles over 400 different products and distributes to over 3000 customers worldwide in the compressed air solution products industry. Surtel understands the client's concern for accurate fill rates. Their products are critical to many industries and because of this; the fill rate performance is aggressively measured.

Surtel performed a detailed study, and the causes of the sales order fill rate issues were identified. The key issues were as follows:

- The first time fill rate of customer orders was well below industry average.
- Less than one year of historical data was used to forecast demand.
- The double-digit growth rate of demand was not factored into the forecast.
- Logistics parameters (lead time, percent increase, monthly weighting, etc.) did not accurately reflect the actual supply chain process.
- MRP results were inaccurate and required excessive user intervention to complete the planning process.
- Low levels of confidence in the overall planning system needed to be overcome to enable changes to become effective.

The study included a full analysis of the proposed solutions, which included the logistic parameters and forecast process. Surtel identified and implemented the following key solutions:

- Historical demand data, which is required in the forecasting process, was refreshed and loaded for all items.
- The forecasting and logistic parameters were updated to reflect the true state of the client's business.
- New forecasts were created for all items.
- Surtel led a user review team through a process that validated the forecast and determined the forecast method with the best fit.
- Surtel conducted forecasting and MRP training which promoted a high level of confidence in the planning system.

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies

Surtel Technologies Pvt. Ltd.

Tel: +91-731-4069747

Email: info@surteltechnologies.com

The performance improvement enhancements were implemented in less than eight weeks and the following results were achieved:

- The client's first time fill rates improved 20% after the eight-week project. After the project, a permanent process was installed to promote continued fill rate improvements.
- Inventory levels were reduced for inactive and obsolete items.
- Customer satisfaction was improved as measured by a reduction of order cancellations.
- Order expediting and shipping costs were reduced due to improved planning accuracy.
- Manual intervention in the planning process was reduced by 60%.

Customer satisfaction and service levels were increased due to the improved efficiency in order fill rates and delivery times.

Distinguishing Feature

Surtel strives to provide their clients with a strong return on investment when implementing customized solutions. We deliver custom configured solutions for every client, incorporating software modifications for strategic process gaps only. Our JD Edwards knowledge, proven methodologies and business solutions enable our clients to be successful. We are experts at training, mentoring, and knowledge transfer. Our goal is to implement quickly, provide knowledge transfer and turn over support to our client's staff.

This documentation is delivered as is. Surtel makes no warranty as to its accuracy or use. Any use of this documentation is at the risk of the user. Although we make every good faith effort to ensure accuracy, this document may include technical or other inaccuracies or typographical errors. Surtel reserves the right to make changes without prior notice.

Surtel and this publication are not affiliated with or endorsed by Oracle JD Edwards software.

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies

Surtel Technologies Pvt. Ltd.

Tel: +91-731-4069747

Email: info@surteltechnologies.com