

Optimizing Distribution Center operations for a Telecom OEM

Overview

Country/ Region: Across Geographies Industry: Telecommunications OEM

Customer Profile

A Fortune 100 telecommunications OEM major widely known for manufacturing leading edge mobile phones and offering wireless network solutions.

Business Situation

The Client experienced several issues with its legacy Warehouse Management System (WMS) on the process, system and resource fronts.

The Solution

Infosys implemented Sterling Commerce suite at Pilot site for each solution type and rolled-out to other sites in iterative fashion for faster ROI, with enhancements being added to global solution.

The Benefit

Infosys solution enabled client to quickly scale on volumes, deliver faster time-to-market and accelerate customer responsiveness.

Optimum handling of Warehouse Management Systems (WMS) poses a huge challenge for the hi-tech industry. Processes, systems and resources have significant interplay in managing WMS to deliver customer delight. A Fortune 100 telecommunications OEM major widely known for manufacturing leading edge mobile phones and offering wireless network solutions was also experiencing similar challenges with its WMS. What it required was a comprehensive solution enabling it to quickly scale on volumes, deliver faster time-to-market and accelerated customer responsiveness.

Situation

The Client has a Distribution Center (DC) in Europe catering to the sizeable EMEA (Europe Middle East and Africa) region. Unlike major warehouses located at the center of a “hub-and-spokes” system with smaller DCs scattered around a region, this DC is the only one of its kind for key markets spanning 3 continents. While the company battles rival brands in the race for technological convergence, the sophisticated consumer keeps upgrading to the latest, single most-converged device. Thus, the efficacy of this DC in functioning at optimum capacity to deliver handsets and meet consumer demand assumes critical importance.

Challenges faced by the client

The Client experienced several issues with its legacy Warehouse Management System (WMS) on the process, system and resource fronts. Firstly, the existing system was not well integrated with the Automated Material Handling Equipment like Automated Storage and Retrieval systems (ASRS), the Manufacturing Factory Control Systems (FCS) and leading ERP due to lack of integration capabilities. Being a custom build WMS, the warehouse processes were rigid and difficult to change. Also, visibility on the inventory side was limited with several tools being used to extract and consolidate data to get the correct picture. Significantly, the shop floor processes of receiving, picking, housing, flexing, packing and shipping, and shop floor logistics were not streamlined and resulted in labor idling at the assembly line. Consequently, the DC was not rolling out products at peak production capacity.

Infosys' Role

Infosys leveraged the Global Delivery Model where the solution design team travels offshore to work closely with the development team during the build phase, helping to build a strong foundation as a preferred partner of choice in the SCM space. Infosys implemented Sterling Commerce suite at Pilot site for each solution type and rolled-out to other sites in iterative fashion for faster ROI, with enhancements being added to global solution bringing out high user involvement to drive enhancement priorities and acceptance in user community. Infosys also developed Rapid Design Toolkit that increases code level standardization and optimization, and significantly reduces development lead time.

Infosys' Approach

The Infosys solution envisaged process reengineering at the DC by streamlining shop floor processes, thereby enhancing cost efficiencies, boosting productivity and maximizing production. The new system was geared to offer a real-time, consolidated view of inventory, so the client was empowered to take faster, more informed decisions. Also, the new WMS solution accounted for large number of possible exceptions and managed such issues in a systematic manner, thereby reducing manual intervention.

Business Benefits

Infosys' winning WMS solution delivered all round tangible value. The new solution minimized the DC's operating costs by consolidating the systems. Also, this integrated solution was remarkably user-friendly from a system administration perspective. The client reputed for leading-edge technology solutions and innovative products retained its competitive edge with a WMS solution -that facilitated faster time-to-market and accelerated customer responsiveness.

Infosys implemented an intelligent and efficient WMS solution by leveraging the Yantra WMS platform and delivered significant value by impacting every process and interaction. The new system offered tangible value to 3 core functions at the DC.

The process turnaround

Infosys evaluated the existing processes, modified it and enhanced the workflow to complement the system. One area where process efficiencies were maximized was the utilization of temporary storage zone, a key storage destination before the end of the conveyor belt where personnel process material and assemble products. If the flow of material into this zone is not consistent, the assembly line gets stalled. The new system streamlined activity in this zone by allowing only one work order in transit to this zone and having multiple work orders present in this zone, based on the onset of material. Also, Infosys effected sharing of material across work orders, a breakthrough that had not been implemented in Yantra till then.

As a result, the assembly line witnessed work order sharing, whereby a specified quantity of material was used for one work order and the remainder got utilized for another work order. This operational flexibility improved the material usage and caused less fragmentation of material in Warehouse.

The enterprising workhorse

The new system incorporated “checks and balances” to manage exceptions effectively. For instance, if there was an error in one work order, the other work orders in the queue continued to get processed while the error was addressed. Similarly, if a work order needed to be reversed or cancelled, it could be done for that specific work order. This system accelerated the pace of the assembly line and drastically reduced down time and loss of man-hours.

The productivity leap

By integrating ERP and ASRS fully with the WMS, the system facilitated a comprehensive view of the inventory at one location and in near real time. Also, inventory classification was standardized for various stages of production. Transparency of inventory allowed management to track inventory at each location and take informed decisions on availability, movement and handling of material.



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