

CASE STUDY

Cummins collaborates with Infosys
to revamp supply chain planning system



Infosys
be more



Overview

Cummins Inc. is a global power leader that designs, manufactures, distributes and services engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. The company serves its customers through a network of more than 500 company-owned and independent distributor locations and more than 5,200 dealer locations in 190 countries. The company's power generation business segment, CPG (Cummins Power Generation), is a global provider of electrical generators and power generation systems, components and services in standby power, distributed power generation, as well as auxiliary power in mobile applications. CPG was looking at increasing the efficiency of its large supply chain network so that it could effectively leverage the emerging growth opportunities in the power sector.

Business Need and Challenges

The increasing demand for power generation and fuel-efficient systems has increased the pressure on power companies to constantly innovate and develop better technologies. Customers are looking for solutions that are specifically tailored to suit their requirements. This calls for improved supply chain planning and better collaboration with customers, suppliers and other third parties. Cummins Power Generation launched the Cummins Frontier Program to transform itself into a truly global company by improving its supply chain network and increasing the efficiency of its planning and distribution systems. Some of the key business requirements that it needed to address were:

- Establish common process and tools for forecasting, master scheduling, supply planning and managing plant resource capacity.
- Synchronize planning and distribution to eliminate any mismatch in demand and supply.
- Increase the speed, efficiency and reliability of the supply chain network while optimizing on costs.
- Build more supply chain capabilities and strengthen existing systems to be able to 'source from anywhere and ship from anywhere'.
- Provide more visibility and transparency across the supply chain.
- Increase the efficiency of order scheduling to avoid any resource overload or delays.
- Improve customer service and increase responsiveness.
- Provide an efficient platform for customers and business partners to communicate, collaborate and work together.

Infosys Role

As a part of this initiative, CPG decided to replace its existing MRP system with Oracle EBS R12 suite to improve supply chain planning and processes. The company decided to bring in Infosys as its systems integration partner in this transformation drive. Besides its strong Oracle implementation experience, Infosys brought in robust implementation processes, tools, templates and best practices for smooth execution of the project.

The Infosys team helped Cummins in stabilizing its existing systems, reorienting its business processes and creating a strong base for implementing Oracle Value Chain Planning in sync with the business objectives. Advanced Supply Chain Planning (ASCP) and Global Order Promising (GOP) modules were implemented to create an integrated planning system with improved processes for procurement, manufacturing and inventory management. Some of the other key features implemented were Customer Configuration-Based Order Scheduling, Level Loaded Master Production Plan, Global Routing Structure etc. The solution covered all important aspects of the planning process including order scheduling, master scheduling, supply plan output, and planned order release. This ensured a coordinated and synchronized material flow with better control on the working capital.

Infosys helped the client in automating many of its existing processes and aligning its business objectives with the new supply chain system. The implementation team worked closely with ASCP leadership team, master schedulers, material and manufacturing leaders and other in-house experts in developing the solution according to the requirements of the client.

A phased approach for implementation was followed and the solution was first implemented at one of the manufacturing sites. This created a strong foundation for the project and a similar approach could be easily replicated at the other sites as well.

Benefits

This initiative has already helped the company in achieving many of its business goals. It has helped the company in improving short to midterm planning and resource capacity management. An improvement in delivery timelines, better scheduling and planning has also resulted in several benefits:

- Significant improvement in managing customer orders with increased efficiency in planning, procurement, manufacturing and inventory management.
- Accurate routing and reduction in queue time has resulted in improvement in working capital management.
- Improvement in on-time delivery resulting in increased customer satisfaction.
- Increase in throughput, which also results in increased production space.
- Reduction in WIP inventory level.
- Improved quality of plans enabling continuous improvement in delivery performance.
- Increase in productivity with central order scheduling and standard processes.
- A flexible model for order scheduling and planning has resulted in better capacity utilization and resource management.



Looking Ahead

The project has already achieved its initial goals of improved scheduling and planning, thus creating an overall positive impact on the performance and productivity of the organization. As the solution gets implemented across all units, the organization expects further gains in terms of better inventory management, ability to collaborate across functions and a much improved supply chain system. This would certainly result in increased customer satisfaction and boost the overall business growth of the company.





The Infosys team was able to understand our business situation and quickly develop a plan to address the challenges we were facing. The first phase of the project has already been completed on time, which delivered measurable business value to Cummins. We would be happy to continue our relationship with Infosys in the next phase of this project

– Madhavi Isanaka
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