

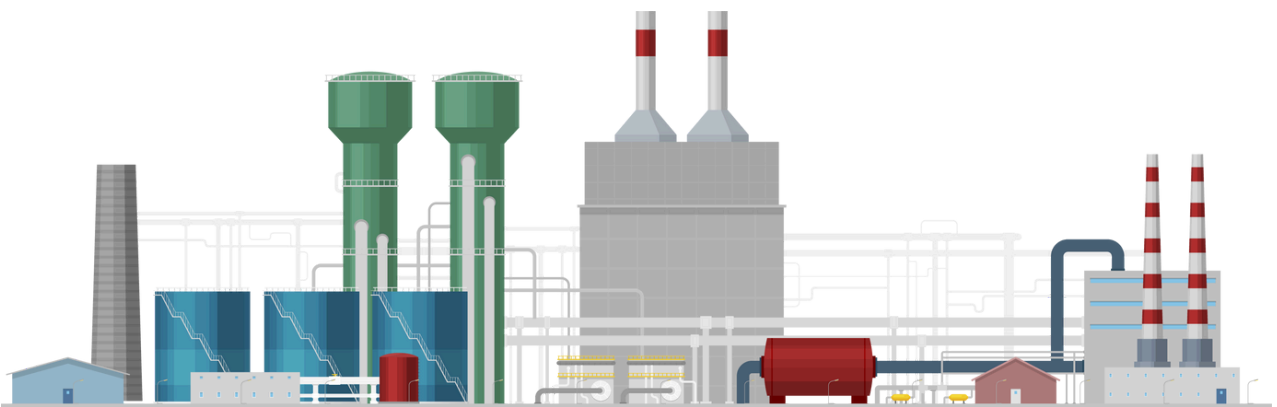


Value Creation through Process Innovations!

GENEX LOGISTICS 3PL SOLUTION FOR A LEADING POWER BACK-UP MANUFACTURER

- A CASE STUDY!

Genex Logistics Research & Solutions Team



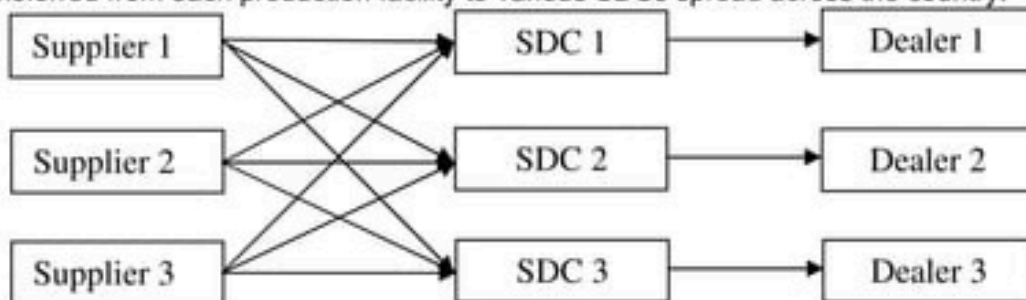
Beneficiary profile:

The beneficiary was one of the leading manufacturers of Industrial Batteries and Inverters in India. The beneficiary had five production facilities across India producing different categories of industrial batteries and inverters. The complete supply chain was being managed in-house. They had about 20 state Distribution centres' to support the large dealer and distributor network and institutional sales. The state distribution centre's had company's sales offices either adjoining or in-side the warehouse.

They faced challenge in streamlining the supply chain in terms of visibility, FIFO, stock obsolescence, warranty management, reverse logistics and stock audit. The material was being sent from factories to regional warehouses or state warehouses as per forecast and the availability of the transport.

Existing process:

In order to manage sales tax regulations, the beneficiary had one State Distribution Centre (SDC) in each state where its products were sold. Each SDC would book sales while sending the goods to Dealers / Distributors / Institutional sales. The inventory management was done in a particular manner. The stock was transferred from each production facility to various SDCs spread across the country.



Issues:

Information uploads at the source:

Though products coming from the production lines had barcodes in them, the information was neither captured nor uploaded onto the system at the plant while sending the stock to the SDCs.

Inventory (in)visibility & Sales Returns

The inventory management at state warehouses was done by internal employees of the company. Though, this would sound to be an ideal arrangement, it was noticed that it was being done without clearly defined KPIs and company could hardly extract correct information on inventory accuracy. Due to the inventory visibility issue, inventory was spread out across SDCs. There were lots many cases of sales returns as well.

Product life and Warranty management:

The industrial batteries had a self life based on which warranty used to be offered to the end customer. But major share of this effective self time was getting expended before the product reaching the end user. This was resulting in more complaints thereby affecting product quality reputation and also incurring more cost for replacement within the warranty period. Further, the product life data pasted to the batteries as stickers had many cases of being torn away within the warranty period. As a result, it was difficult to monitor the article-wise warranty replacement.

Supply / Availability Mismatch

Truck capacity was the driver of the logistics cost, due to which excess material used to be shipped to SDCs to reduce primary transportation cost. But this was resulting in inventory spread and unsold inventory at various SDCs. Shifting cost between SDCs was substantial.

Why was Genex Logistics appropriate partner?

- Genex team had sufficient experience in 3PL services and had tremendous IT capability.
- Genex team had substantial experience of the power back up industry dynamics and nature.
- The knowledge accumulated by Genex through their past experience in the logistics arena ensured successful strategizing and implementation of the project.

Results of Genex's Solution and Client benefits:

- Inventory Visibility throughout the network
- Substantial reduction in warranty replacement
- Controlled Warranty Management
- Thorough visibility on sales returns
- Product Supply / Availability balance at the SDCs and Dealers/Distributors, there reduced excess / stock-out situations.
- Reduced primary and secondary transportation cost.
- Seamless delivery of material to dealers

About Genex Logistics

Genex Logistics (Genex LogiSolutions Pvt. Ltd.) is New Delhi, India based supply chain and logistics firm with focus on value creation through process innovations. The diverse and widely experienced team at Genex holds proficiency in handling Supply Chain Strategy, Logistics Operations, Core Transportation, International Freight Management, Freight Forwarding, Contract Logistics, 3PL, 4PL, Warehousing & Distribution, Project Logistics and Customer Relationship Management. Genex Logistics spans across India and has been at the forefront setting benchmarks for Logistics, Transportation, Freight Forwarding and Project Logistics industry in the country.

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