Manufacturing Industry: Powered by Process, Analytics and Technology

Globally manufacturers are facing a more complex and demanding environment, with slower economic growth, volatility in commodity prices, higher cost of warehousing, and a growing complexity of their supply chains to accommodate shifts in market demands. To achieve sustained growth and competitiveness in this environment, most industrial companies have by now, implemented ERPs and other technologies that help them capture data along their value chain. However, the underlying processes are still lacking in connectivity, rigor and controls, and the data gathered is difficult to interpret and analyze for real-time and accurate decision-making. Genpact has developed the insights and operational practices to power intelligent manufacturing enterprises with smarter processes, smarter analytics and smarter technologies to help them grow and outcompete.

New challenges, new opportunities

Global manufacturing enterprises deal with complex and compelling challenges:

**ECONOMIC**
- Unstable economy
- Fluctuating commodity prices
- Increased competition from regional/local players

**SUPPLY CHAIN**
- Low inventory and supply chain visibility
- High warehousing and SG&A costs
- Inefficient supplier network

**SERVICE**
- The need to grow service profitability
- Shorter time to market

**PRODUCT**
- High cost of engineering
- Need for automation and innovation

Traditionally, most of these challenges have been addressed by solutions that include heavy capital expenditure, expensive IT implementations and optimizing operations, among others. That is because the focus, for most manufacturing enterprises, is on cost efficiency, quality and operational excellence.

However, today’s dynamic environment requires that manufacturers find new, intelligent ways to drive long-term value creation and short-term profitability and become:

- **Globally effective**, both in terms of their ability to address different markets and run operations from the most optimal location and manner
- **Connected**, by having the visibility and ability to anticipate and manage the needs of their ecosystem of customers, suppliers and partners
- **Innovative**, in addressing both opportunities and uncertainty
- **Adaptive**, in responding to change with agility
Genpact drives intelligence across the manufacturing enterprise through a continuum of:

- **Smarter processes** - Genpact has over 15 years of experience in managing business processes for more than 600 global organizations across industries. We have built a ‘science of process’, called Smart Enterprise Processes (SEP™), through our expertise of managing 4,500+ processes and insights from over 200 million transactions. SEP™ takes an enterprise-wide view of the manufacturing enterprises, cutting across operational silos and focusing on delivering superior business outcomes. This approach combines Genpact’s robust process execution, multi-domain experience, global delivery model, granular data analysis, cross-industry and functional benchmarks, and technology solutions to deliver better cost, cash and revenue to global manufacturers.

SEP™ also has Genpact’s operational excellence DNA and culture, based on Lean and Six Sigma, with a pool of over 10,000 Six Sigma and 25,000 Lean trained employees.

Genpact offers a range of SEP™ offerings to manufacturers through:

- Industry suite - Aftermarket, Direct Procurement, and B2B Sales and Contract Management
- CFO suite - Order to Cash, Source to Pay and Record to Report
- Enterprise suite - Customer Service, Hire to Retire and Collections
- IT suite - IT Helpdesk and Remote Infrastructure Monitoring (RIM)

- **Smarter Analytics** - Genpact enables smarter and intelligent decision-making for manufacturers by identifying key industry trends, anticipating issues and challenges, and helping them become future ready. Our rich manufacturing industry experience, advanced analytics and re-engineering capabilities, helps clients to achieve key business outcomes like increased revenue, improved marketing ROI, strengthened risk management and ensuring compliance. Our smart analytics offerings include supply chain, procurement, research, sales and marketing, contract management and pricing.

- **Smarter Technology** - Genpact helps manufacturers in getting the best possible ROI from technology implementations by making IT smarter and intelligent. We do it through strong analytical insights distilled from best-in-class processes applied back to technology. Our technology offerings include end-to-end, industry-specific, horizontal process and legacy extension solutions, which in turn are modular, scalable and complement our clients’ technology landscape. We have also built our proprietary process-driven tools like GenLean™, Appready™, PurpleWeave™, SoPro™ and LeanDesk™, which offer innovation and flexibility to our clients.

This unique blend of processes, analytics and technology helps manufacturers achieve superior business outcomes. These include increased profitability, improved supply chain effectiveness, optimized working capital, improved manufacturing operations, enhanced customer service and shorter time to market.
Service offerings

Genpact provides a comprehensive suite of offerings, which includes Finance and Accounting, Procurement and Supply Chain, Aftermarket Services, Engineering Services and HR Services for the manufacturing enterprises.

### Finance and Accounting
- Accounts Payable, T&E
- Billing
- Financial Planning and Analysis
- Treasury Operations
- Closing and Reporting
- Tax Operations
- General Accounting

### Procurement and Supply Chain
- Demand Planning/Sales and Operations Planning (S&OP)
- Indirect Source to Pay
- Direct Procurement
- Logistics Engineering
- Order Management/Fulfillment
- Master Data Management
- Strategic Sourcing Support

### Aftermarket Services
- Service Planning and Forecasting
- Contract and Warranty Management
- Helpdesk Service Requests
- Remote Installed Base Support
- Field Service Management
- Parts Management
- Project Management
- Billing and Customer Loyalty

### Engineering Services
- Product Design and Development
- Engineering Analysis
- Technical Documentation
- Product Regulatory Compliance
- Value Engineering
- Reliability Analysis
- Manufacturing Engineering
- Engineering IT support

### Human Resources
- Payroll Functions
- Benefits Administration
- Recruitment Support
- Learning and Development
- Employee Rewards
- HR Information Services
- Data Modeling
- Planning and Forecasting

### Business impact delivered

**Increased financial and operational performance through the optimization of end-to-end supply chain and finance functions**

- For a **global aviation engine and airframe manufacturer**, Genpact, through a blend of smarter processes and smarter analytics, helped increase inventory visibility, achieve a 48% reduction in raw material and 41% increase in inventory turns.

- For a **leading specialty chemicals and materials company**, Genpact implemented a customer payment behavior based collection strategy, introduced an escalation matrix and workflow for dispute resolution, and standardized commercial terms. This resulted in a “days-to-pay” reduction of 8 days, translating to a cash-flow impact of $18 million, interest saving of $2 million, a 78-day reduction in the deductions cycle time and a 51% reduction in past dues.

- For a **leading automobile manufacturer**, Genpact’s smarter processes and analytics provided an inventory classification, analysis, and planning tool for the lifecycle management of accessories, accurate tracking of 600K+ SKU inventory for identification, and reduction of aged inventory. The customer realized a 5% savings in inventory and $10 million impact on cash-flow, with a 25% reduction in obsolescence.
Boost service profitability and enhanced customer experience

• For a **global healthcare technology company**, Genpact is managing its aftermarket service operations and has delivered over $100 million impact in the last 3 years, with field productivity increased by 20%.

• For a **leading aircraft engine manufacturer**, Genpact has improved forecasting accuracy and turnaround time of deal pricing by 30-40 percent, increasing the win rate of service contract deals. Genpact has been part of major sales campaigns and has helped the client win more than $1 billion in deals.

Minimized product development costs, optimized lead times, enhanced capacity, and maximized resource availability

• For a **global solar equipment manufacturer**, Genpact has designed and developed its mechanical and electrical assemblies and reduced time to market by 6 months. Genpact used value engineering to reduce direct material spend by 45% by optimizing the design and manufacturing requirements.

• For a **global medical device manufacturer**, Genpact developed product regulatory documentation and implemented design conversions to significantly reduce time to market by 5 months in the European Union (EU) region.

• For a **global oil and gas equipment manufacturer**, Genpact integrated its ERP and PLM systems, customized the CAD systems, and improved process efficiencies and design cycle times by over 300%.

**Quick Facts**

• Over 14 years of unparalleled experience in the manufacturing industry

• A strong team of 4,000+ people providing services to 180 global manufacturing clients

• Strategic and technology partnerships with leading service providers – Gexpro, ICG Commerce, Iasta, Axeda, Servigistics, Ariba

• Genpact has achieved one of the highest customer satisfaction scores in the business-to-business space, measured through Net Promoter Score *(NPS). Our Manufacturing vertical also has a high NPS of 69%*

• Recognized continuously as a top manufacturing and supply chain provider by leading industry analysts, associations and media:
  - Recognized Among Top 100 Global Supply Chain Service Providers by Supply & Demand Chain Executive (SDCE) – for three consecutive years, 2010 - 2012
  - Featured as one of the Top 10 Manufacturing Service Providers in the 2011 Global Services Annual Study
  - Consistently recognized as a top procurement BPO provider by Gartner/AMR, Everest, IDC and Nelson-Hall
  - Star Performer and ‘Major Contender’ in Procurement Outsourcing in 2010 by Everest Research

*"Net Promoter® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc."