



GENERATING **HIGH TECH** IMPACT

Global electronics major transforms supply chain operations using Lean DigitalSM



Client

Global consumer electronics major

Industry

High tech

Business need addressed

- Inadequate visibility into manufacturing and fulfillment processes
- Legacy systems unable to capture and utilize retailer point of sale (PoS) data, resulting in sub-optimal demand forecasting
- Fragmented production, sales, and inventory (PSI) and promotional planning led to misalignment between inventory levels and campaigns

Genpact solution

- A Lean DigitalSM approach, combining digital technologies, design thinking, and Lean management principles helped address the initial challenges, and subsequently drive real, value-generating transformation faster
- Intelligent Process Insights Engine (IPIE) big data platform for data governance and data quality
- Visualization and forecasting solution for sales, supply chain, and merchandising
- Integrated business planning (IBP) platform for sell-through forecasting

Business impact

- 32% improvement in forecast accuracy through effective integrated business planning
- 22% rise in employee productivity through automation of planning process, allocations, and purchase recommendations
- Enhanced decision making agility, from improved supply chain and inventory visibility

A global consumer electronics major was looking to enhance business agility, improve visibility of their supply chain, better manage inventory, and increase collaboration across sales, supply chain, and merchandising teams. Using a practical Lean DigitalSM approach, the company implemented an integrated business planning solution along with an advanced visualization and forecasting solution to improve forecasting accuracy by 32% and employee productivity by 22%, at the same time enhancing decision-making capabilities and catalyzing growth.

Business challenge

A leading consumer electronics company was struggling with inadequate visibility into their manufacturing and fulfilment processes. Moreover, the fact that existing systems were unable to capture and utilize retailer point of sale (PoS) data hindered the company's ability to model demand forecasting—and this lack of insight resulted in demand and inventory mismatches, higher working capital costs, and sub-optimal productivity. Additionally, the company's fragmented processes for PSI and promotional planning were creating critical misalignments between inventory levels and promotional campaigns.

The company required an integrated view of production, inventory, fulfilment, and sales across global operations, enabling agile responses to changing market needs.

Genpact solution

The way forward was to reimagine the siloed, fragmented processes to drive end-to-end visibility through streamlined processes augmented by agile technology, actionable analytics, global delivery, and continuous learning.

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Design thinking methods focused on the end customer to reimagine outcomes

- Value-discovery workshops with the client and their business partners, as well as the analysis of use cases across industries, pointed the way to the ideal state solution design
- Improving forecast accuracy was determined to be a revenue driver, and an automated forecasting engine was identified as an immediate priority for enhancing the sales force's client management capabilities
- Limited collaboration and visibility across sales, supply chain, and merchandizing functions—which previously had resulted in sub-optimal decision-making as well as productivity losses due to rework—were identified as key areas for improvement

Underpinned by domain expertise

- Genpact's IPIE, a custom big-data platform which enables organic data governance to be embedded into design and creates a "single version of the truth" for all forecasting needs, provided increased accuracy in forecasting models, with enhanced usability, in real time

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- Genpact set up managed services for the client for forecasting and analyzing 6,000 demand-forecasting units, enabling the client to capture seasonal and intermittent demand variations, reduce forecast errors, and create better inventory plans

Lean principles that focus on agility

- Lean principles guided the process re-design, supported managed services set-up, and led to several process streams being standardized, consolidated, and centralized
- Retailer PoS data served as the input for exception-management and scenario-development processes to generate sell-through-driven forecast enabled by an integrated business planning solution
- These models also enabled the client to continuously update the analysis, with the inputs for one cycle establishing baseline metrics and improvement targets for the next cycle

Digital process-centric technologies

- A cloud-based, mobile-ready inventory optimizer solution with advanced visualization capabilities modeled the planning analytics and automated processes for allocation, purchase recommendation, and sell-in forecasting, which helped the client improve inventory classification while also identifying demand patterns to enhance overall inventory management

- The company could automate processes for sell-through and sell-in conversion, simulate and optimize purchases based on inventory budgets, and carry out demand-based inventory allocation in real time

Business impact

A Lean DigitalSM approach helped the company address the initial challenges, and subsequently drive real, value-generating transformation faster.

The improved visualization and forecasting solution enabled by integrated business planning transformed the company's sub-optimal planning process, improved forecasting accuracy by 32%, and gave the client an effective tool to manage demand and supply volatility. Moreover, improved visibility, combined with real-time information undergirding decision-making, helped reduce errors and resulted in a 22% increase in employee productivity.

Better visibility into fulfillment, inventory, and forecasting enabled the client be more agile to market needs, ensured quicker fulfillment, and lower wait times for customers

Finally, better visibility into fulfillment, inventory, and forecasting enabled the client to be more agile to market needs, ensured quicker fulfillment, and lower wait times for customers.

About Genpact

Genpact (NYSE: G) stands for “**generating business impact.**” We are a global leader in digitally-powered business process management and services. We architect the **Lean DigitalSM** enterprise through our patented Smart Enterprise Processes (SEPSM) framework that reimagines our clients’ operating model end-to-end, including the middle and back offices. This creates Intelligent OperationsSM that we help design, transform, and run. The impact on our clients is a high return on transformation investments through growth, efficiency, and business agility. For two decades, first as a General Electric division and later as an independent company, we have been passionately serving a few hundred strategic clients including one-fourth of the Fortune Global 500, and have grown to over 70,000 people in 25 countries, with key offices in New York City. The resulting business process and industry domain expertise and experience running complex operations are a unique heritage and focus that help us drive the best choices across technology, analytics, and organizational design.

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