



GENERATING **MANUFACTURING** IMPACT

# Leading manufacturer transforms order management to enhance supply chain visibility and boost growth



**Client**

A global medical devices manufacturer

**Industry**

Manufacturing

**Business need addressed**

- Low visibility into order management across regions and products
- Inaccurate revenue recognition and poor customer experience due to inadequate mapping of production to customer orders
- Cost escalations and productivity losses due to high degree of manual intervention in order management reporting

**Genpact solution**

- Process standardization and documentation of standard operating procedures for global order management operations
- Order management fulfillment risk mapping tool that sits on top of systems of record to enable real-time view of the order management process
- Advanced reporting on fulfillment risks and revenue projections by region and product type

**Business impact**

- Single view of data across the globe enabled centralized fulfillment risk tracking and process standardization
- Revenue acceleration of \$75 million due to accurate revenue recognition
- Reduction in on-hand inventory drove \$9 million reduction in working capital requirements
- Automating manual order management process helped reduce costs per order

Disparate systems of record, functional silos, and suboptimal processes across regions often lead to poor visibility into order management operations. Lack of timely insights can lead to errors and delays in order fulfillment and revenue realization, excess on-hand inventory and working capital requirement, and dissatisfied customers. A leading medical devices manufacturer addressed these challenges by reimagining its order management operations through a combination of process standardization and targeted technology interventions.

## Business challenge

A leading medical devices manufacturer lacked a consolidated view of order management operations across regions and products, resulting in poor mapping of production to customer orders and inadequate coverage of risks associated with order fulfillment. In addition, this often led to higher costs per order and delayed revenue recognition, due to cases of customers postponing delivery dates late in the production cycle, leaving the organization with no choice but to hold inventory (leading to cost increases) and delaying revenue recognition.

A majority of order management reporting was done manually. There was significant effort involved in collating and updating information from multiple sales and order management tools. Significant rework and delays meant that the organization was neither able to proactively identify risks in the order management process nor effectively respond to them.

## Genpact solution

Following an end-to-end process assessment, the following issues were identified as focus areas for transformation:

- The presence of multiple IT systems across geographies resulted in poor master data and prevented a single view of information, affecting seamless operations and reporting
- Poorly defined risk parameters, plus ad hoc and manual processes to collate fulfillment risk information and the absence of an

overall process to integrate them, resulted in disjointed operations

To address the challenges identified, the organization implemented a three-pronged strategy:

**Risk classification** - Standardized classification of fulfillment risks across the globe, with the identification of high-priority areas taking into consideration delivery timelines, material or inventory shortages, and resource alignment.

**Process centralization** - Following process standardization and documentation of standard operating procedures, the client implemented a bolt-on fulfillment risk mapping tool that sits as an agile layer on top of disparate legacy systems, to consolidate masses of data for a clear, real-time view of the order management process. The risk tracker tool was customized for the requirements for all regions, and built to store detailed order and fulfillment-related data used to prepare reporting and analytics for the global process. This granular capture of order and fulfillment-related data made it possible to harmonize and report risk in local geographies along the parameters desired by the global business.

**Monitoring and reporting** - The fulfillment risk tracker further enabled daily monitoring by region, product, and order value, and order management analytics modules built on tracker data provided the client with detailed reporting of fulfillment risks and revenue projections by region and product type, along with other recurring dashboards for granular metrics affecting shipment, sales, and revenue projections.

## **Business impact delivered**

- Single view of data across the globe enabled centralized fulfillment risk tracking (85% of all production compared to 31% before the engagement ) and process standardization, improving revenue realization to deliver revenue acceleration of \$75 million within the first few months of the implementation, and reduce on-hand inventory to generate working capital impact of \$9 million
- Automating manual process helped boost productivity through standardized process flows and reduced rework due to human error

*“The partnership has been very successful in helping to drive improved customer satisfaction and operating rhythm across our teams. It was a difficult project as we had input from across the entire business in a variety of formats. In addition, there was not an existing model to build on. It was a completely new endeavor that had never been tried before.”*

*- Global fulfillment leader, client supply chain function*

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## About Genpact

Genpact (NYSE: G) stands for “**generating business impact.**” We are a global leader in digitally-powered business process management and services. Our **Lean Digital<sup>SM</sup>** approach and patented Smart Enterprise Processes<sup>SM</sup> framework reimagine our clients’ operating models end-to-end, including the middle and back offices – to deliver growth, efficiency, and business agility. First as a part of GE and later as an independent company, we have been passionately serving strategic client relationships including approximately one-fifth of the Fortune Global 500, and have grown to over 70,000 people. The resulting domain expertise and experience running complex operations are unique and help us drive choices across technology, analytics, and organizational design.

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