

Reduced transportation costs for a leading consumer goods enterprise through a highly customized SAP module implementation.

Global consumer goods enterprises compete with local brands as well as other multinationals in markets around the world. Winning against entrenched local players calls for a localized business strategy designed to neutralize competitors' advantages.

Here is how Mindtree helped a leading multinational consumer goods enterprise reduce transportation costs for greater regional competitiveness by enabling it to access products from manufacturing locations near its customers.

The challenge

The detergent product category forms a significant part of the customer's product portfolio. Profitability of its high-volume, low-margin product segment was coming under intense pressure due to the dominance of local brands in the Indian market. Its competitors could sustain extremely low prices, thanks to manufacturing locations close to the region of sales, thereby incurring lower transportation costs.

By contrast, the customer's supply chain was a multi-echelon network where the product was delivered to the customer from the factory through one or more intermediate distribution centers. This multi-level product movement accounted for increased transportation costs and lower competitiveness.

Seeking a solution, the customer tasked Mindtree with finding a technology-enabled solution to help it reduce transportation costs by delivering products directly from manufacturing locations.

Our solution

Mindtree integrated Global Available To Promise (GATP) and Transportation Planning and Vehicle Scheduling (TPVS) tools in the customer's SAP Advanced Planner and Optimizer (APO) landscape with the sales order

Business impact

- Enabled USD 600,000 reduction in transportation and associated costs in the first six months with recurring savings every year
- Increased service levels for the business
- Supported average daily direct dispatch volume of around 1,000 tons

processing module to implement a solution for direct dispatches of product.

This involved a highly complex implementation of the standard SAP GATP and TPVS modules, with more than 40% of the implementation customized to the customer's specific business processes. Several of these customizations had never been attempted before on the SAP platform.

We also ensured reusability of code, making sure that the customizations were built on a broad platform capable of accommodating the customer's future business requirements. Further, information garnered during the TPVS work stream was also used in the reporting requirements for this project.

About Mindtree

Mindtree is a global information technology solutions company with revenues of over USD 400 million. Our team of 11,500+ experts engineer meaningful technology solutions to help businesses and societies flourish. We enable our customers achieve competitive advantage through flexible and global delivery models, agile methodologies and expert frameworks.

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