



## CASE STUDY

**Maximizing Supply Chain Efficiency at a Leading Consumer Electronics company through Demand Planning and Forecasting**

### **The Idea: Executive Summary**

Creating a Demand forecasting solution for Sales & Operations planning for a leading consumer electronics company. While focus was to increase sales the client wanted to ensure that it had control over inventories/backlogs. It also wanted to ensure increased efficiencies in the Sales and Operations Group.

### **About the client**

The client is a world leader in consumer electronics and technology. Renowned for its innovative and high quality products, the client is committed to developing new technologies that reflect the networked convergence of audio, video and information technology.

### **Business Context**

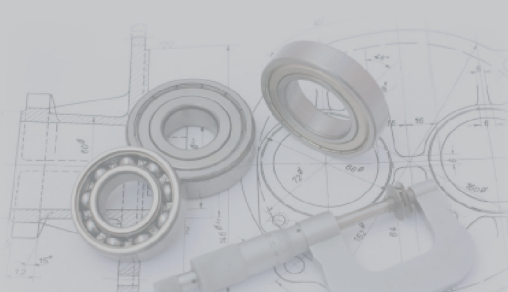
In an era of intense competition, the Consumer Electronics market is flooded with a variety of manufacturers. The client has been facing intense challenges due to rapid price erosion resulting from high demand variability and shorter product life cycles.

The client felt the need for an efficient planning and optimal supply chain solution which addressed its strategic, tactical, and operational level challenges. The existing Planning and Optimizing solution helped the client's S&OP Group develop purchase orders and a subsequent manufacturing schedule using forecasting techniques. However, it often led to a disintegrated system between the S&OP group and dealers as the dealers' sale trends were not taken into consideration during demand planning. This resulted in overstock inventories at the dealer level.

### **Wipro's Solution**

In order to ensure profitability, reduced inventory costs and increased sales, it was necessary to develop an effective supply chain management strategy to streamline internal processes and operations. Wipro created a Demand and Supply

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Planning system based on Production, Sale and Inventory (PSI), that centered on production resources and inventory across locations, and which could be used to create a local production schedule to fulfill demand.

A salient feature of this solution included a standard Collaborative Planning Forecast Replenishment (CPFR) workbook for all of the client's commit partners to capture consensus sell in and sell through forecasts. Other features enable:

- Creation of Account level Production, Sale and Inventory (PSI) by viewing t Account level consensus forecast and input marketing demand adjustments at the customer and aggregate level
- Derive Marketing Production, Sale and Inventory (PSI) to send demand data including safety stock (Estimated Time Delivery) to the factories.
- Allocate the supply received from the factory to the channel against the final consensus demand.
- Ability to see the demand of all Sales organization by product code and balance the production based on key component supply for Factory Production, Sale and Inventory (PSI)
- Factory Supply as response to demand with committed supply

## Benefits

By implementing a demand forecasting solution, the client has seen major improvements in control of its supply chain and operational efficiency. Some significant benefits include:

- Greater visibility of dealer's sales processes which translates to early identification of potential problems, ability to spot sales trends and accurate forecasts
- Full visibility of inventory levels for the Sales & Operation Group, including dealer inventories, prior to raising purchase orders. This in turn results in an accurate manufacturing schedule due to the availability of advanced information for the procurement of key components.
- Better understanding of market and increased visibility of the supply chain to meet customer's orders
- Reduced inventory carrying costs and higher inventory turns due to significant improvements in forecast accuracy
- Increase ease and efficiency in developing a product schedule for each manufacturing facility across diverse locations
- Greater Sales through efficient fulfillment of dealer demand
- Availability of consistent & current pricing, delivery and support information for each model

For further information, please contact:

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