

Case study

Factory Planner, Supply Planning



# Increased Productivity through Automation

## \$720,000

saved by reducing unnecessary production

## 0.3%

decrease in lost sales

### Increasing manufacturing complexity

“We have used our advantages in inventory management and the supply chain to build an organization that is much stronger. It has really allowed us to leverage our skills and strengths in the marketplace.” – **Chief of corporate strategy and chief information officer for Asian Paints.**

### Challenges

- Asian Paints’ decorative division produces more than 1,600 standard paint product stock-keeping units (SKUs) and many made-to-order (MTO) formulations. This dynamic production environment requires a sophisticated and robust supply chain.
- Asian Paints applies advanced master planning technologies to decide which products should be produced at which manufacturing plants, incorporating variables such as cost and demand volume, capacity, current inventory levels, environmental requirements and other factors.
- Asian Paint’s goals were to reduce inventory levels and manual processes, while improving service levels, productivity, overall production and safety-stock planning.

### Manufacturing capabilities

Asian Paints uses Blue Yonder’s Factory Planner to manage a wide range of variables, such as the inflow and use of raw materials among multiple possible alternates across multiple alternate vendors and possible production routes.

The company typically experiences a “hockey stick” variation in monthly demand for its products and also sees an annual upsurge in demand during festival seasons in various parts of India. Asian Paints utilizes a sophisticated distribution planning system from Blue Yonder to address this variable demand and to move product smoothly to this complicated and dynamic marketplace.





### Achieving a fast ROI

Since the initial investment in capabilities Supply Planning solution more than a decade ago, Asian Paints has dramatically improved its debt-to-asset ratio, and leveraged its supply chain efficiencies to pursue an aggressive growth strategy. It has reduced its finished goods inventory from 56 days to 30 days. This leaner inventory stance was a key factor in the company's improved cash flow position and its ability to invest in growth-oriented acquisitions.

### Reducing unnecessary production

A longtime Blue Yonder customer, Asian Paints has seen \$720,000 worth of cost savings by reducing unnecessary production and has realized a 0.3 percent reduction in lost sales. "We've been working with JDA for a long time, and our overall experience has been fabulous. With this optimized solution, we anticipate great results in the future," said manager of planning at Asian Paints.

### Improved service levels

The company has also moved from an end-service-level metric to a more proactive and precise order-fill method of analysis. After fully implementing the various Blue Yonder capabilities, Asian Paints now achieves 90+ percent service levels for SKU sales at the location level, which puts the company well ahead of competing firms in the marketplace.

### Solution benefits

- Improved production and safety-stock planning
- Reduced inventory levels, while at the same time improving service levels
- Decreased lost sales by 0.3 percent
- Saved \$720,000 by reducing unnecessary production
- Increased productivity through automation

 Luminate Planning

[blueyonder.com](https://blueyonder.com)

Copyright © 2020, Blue Yonder Group, Inc. All rights reserved. Blue Yonder is a Registered Trademark of Blue Yonder Group, Inc. All other company and product names may be Trademarks, Registered Trademarks or Service Marks of the companies with which they are associated. Blue Yonder reserves the right at any time and without notice to change these materials or any of the functions, features or specifications of any of the software described herein. Blue Yonder shall have no warranty obligation with respect to these materials or the software described herein, except as approved in Blue Yonder's Software License Agreement with an authorized licensee. 03.10.2020

