



IMPROVING CUSTOMER SERVICE LEVELS AND SAVING COSTS FOR A GLOBAL CPG COMPANY BY MOVING TOWARDS DATA-DRIVEN ORDER MANAGEMENT

Abstract

Infosys partnered with a global consumer packaged goods (CPG) leader to standardize their order management key performance indicators (KPIs) and centralize reporting to create significant value for the business. Operational reports from different markets, which were previously handled by order management personnel, were standardized, transformed, automated and shifted to a specialized reporting team to bring efficiency and timely service.

With timely and insightful reports at their disposal, the order management personnel could focus on improving their customer service levels. Furthermore, the effort delivered a saving of USD 250k annually.



Data-driven organization: Doing more with less.

In an age when customers are becoming increasingly demanding, there is an added pressure on order management teams to increase service levels by improving case fill rates, even as there is a constant pursuit to reduce the per-order processing cost. Streamlining order management process is the obvious option, but reporting and analysis is often overlooked although it is the first option companies should consider for a KPI-driven culture. By centralizing reporting, the order management personnel are freed of non-core reporting work and can focus on improving service levels. Furthermore, the order management teams can benefit from timely insights generated from near real-time data. Additionally, owing to the efficiencies generated by the specialized reporting team, the teams can reap significant dollar savings.

Operational reporting in order management

Our client, a global consumer packaged goods giant, has multiple regional teams managing orders from customers. These

teams expend considerable time and effort in extracting data from transactional ERP systems and transforming them into key performance indicator (KPI) reports that help prioritize the team's activities and ensure smooth day-to-day operations. The teams work towards increasing the dollar sales and optimizing the fulfillment costs by focusing on several KPIs:

- Case Fill Rate
- Vehicle Fill Rate
- Order Touches
- Delivery Blocks %
- Emergency Orders %

Why standardize and centralize KPI reporting?

Reporting was a non-core activity for the order management personnel and required some niche data mining skills for efficient and timely service. The client had several pain areas in the reporting activity, including:

- **Non-standard KPIs**

Over the years, each market developed a different approach to generate data on some KPIs. As a result, the KPIs could not

be compared across markets, impairing initiatives of regional leadership.

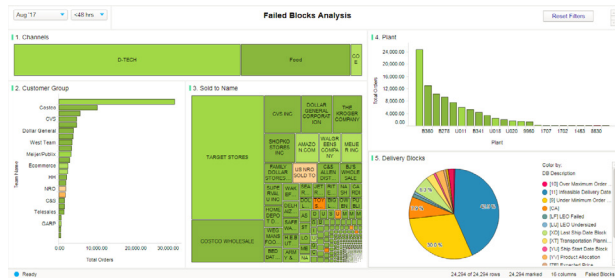
- **Opportunity cost of delayed deliveries**
As the reports were run after the start of business hours, valuable initial hours of several order management personnel were wasted waiting for key operational reports.
- **Business impact of inaccurate reports**
A typical report involved several manual steps, which made the process effort-intensive and error-prone. Although not always quantifiable, inaccurate reports had considerable impact on the business – they often translated to lost sales or reduced service levels – either of them detrimental to the client's business plans.
- **Cost pressure**

Being a cost center, the order management team was always striving to reduce the per-order service cost. Reporting activity, which accounted for over 3,000 hours every month, had considerable cost attached to it.

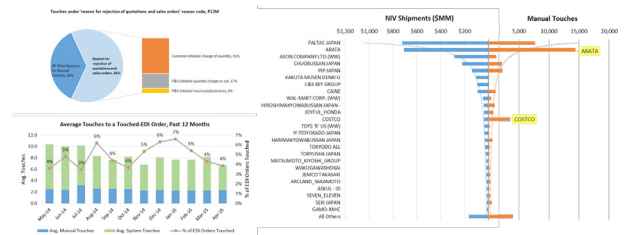
Our solution and approach

In partnership with the client team, we conducted a study to identify activities that could be transitioned from the order management teams to a central reporting team. Against each report, the team defined SLAs such as Run Time, Publish Time, Frequency, Owner etc. to meet the business requirement. A detailed documentation of the step-by-step process to generate the report followed. In collaboration with the business teams, the team standardized reports on some KPIs across markets. Then, each report generation process was automated to eliminate / mitigate human dependency followed by testing and go-live. Post the seamless transition, the central reporting team ensured high service levels by exploiting its expertise in data transformation and automation. As a result, we could ensure the right support to the market teams with minimal staffing across time zones.

Timely insights on key KPIs, such as Delivery Blocks, help improve service levels



Order touch analysis helps driving the cost-per-order down



Benefits realized

Centralization of order management reporting yielded significant tangible and intangible benefits, including:



Standardization of KPIs

- KPIs were made comparable across markets enabling the leadership to make informed decisions with wide ranging implications.



On-time and accurate reports

- Owing to the deployment of a specialized team to manage reporting, the quality of service, measured as accuracy + timeliness was maintained above 99.98%.
- Several operational reports became available to the business teams even before the start of the business hours.



Savings

- Intense automation and transformation of the reporting process delivered savings of over USD 250k by cutting down FTEs by 50%.
- It also freed up valuable time of the order management personnel, helping improve customer service levels.

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