

Client Experience

Interpump Hydraulics India Pvt Ltd

Interpump rotates its inventory in tune with demand

The Business

Profile: Multinational manufacturer of automotive pumps operating in India

Product range: Hydraulic pumps for small and heavy vehicles

Operations: Three state-of-art manufacturing plants with designs from Italy operations

Situation

Business issues

- **Forecasting sales:** Orders from large auto makers while auto market is fluctuating
- **Inventory:** Inventory in excess due to broken link with demand
- **Procurement:** Vendor quality is a continuous concern

IT roots

- Need for integrated manufacturing system
- Regular sales, but lowering cost of inventory could improve profit
- Demand, Production and Procurement to be seen as one connected cycle

The IT as a Service way

Production linked to Demand

While Interpump had its regular customers, the seasonal nature of the auto market led to inventory excess. Hence, Interpump should have set scientific thumb rules for production.

Ideally, the first step was to develop a sales forecast on historical sales and sales pipeline, which could then be used to plan production. The Production Planning System of our Manufacturing solution scheduled jobs into set of operations. This added Bill of Material (requirement of materials) in the planning process thereby helping to track in advance specific operations such as likely shortage and surplus in inventory in the system.

Procurement linked to Production

Procurement had two challenges - Procuring at the right time and quality of raw materials.

The Procurement Module of the Manufacturing system could trace the production operations, which could then set a minimum and maximum inventory level for the raw materials. The same could then be floated as purchase orders to vendors.

However, procurement had to deal with varying quality levels in supplies leading to high rejection levels which in turn affected production.

Our Procurement Module had inherent quality control processes. The Goods Inward Note (GIN) could capture desired specifications and the acceptable range, while the Vendor Rating System kept track of supplier performance. This proved handy while choosing suppliers.

Client Experience

To summarize

- Brought more sanity to demand forecast
- Production schedules made in tune to changing demand
- Inventory planned according to production levels
- Quality check brought under procurement process
- Vendor rating helped in decisions making pertaining to procurement

Relevant part of the software

Manufacturing solution

- Order to cash
- Procure to pay
- Procurement plan
- Production Plan
- Plant Management
- Distribution management

Finance & Accounting

- Multi-site chart of accounts
- Financial statements
- Approval workflows
- Taxation

Bottom line: Need for integrated manufacturing system

"The system developed by TCS is a vital management tool which helps us to function more efficiently."

Ramesh J
Managing Director,
Interpump Hydraulics
India Private Ltd



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