



HCL MOBILIZES WORLD'S LEADING HOME FURNISHINGS RETAILER'S CRITICAL ORDER FLOW PROJECT



ABOUT THE CLIENT

The client is the world's leading home furnishings retailer with more than 25 distribution centers, more than 10 Customer Distribution Centers (CDC), and 1,200 suppliers in 55 countries.

BUSINESS CHALLENGES

HCL has always been a preferred vendor and solution provider for the client, since the beginning of the engagement in 2005. The client's Make-To-Stock (MTS) business model was heavily dependent on supply chain planning and forecasting. The key priorities for the customer were to execute processes and ensure that the right product is available at the right place and at the right time.

In doing this, the global retailer was facing the following challenges:

- **Lack of visibility across the supply chain:** The customer did not have visibility into the purchase order life cycle, service execution, and associated service level breaches. This led to several problems such as high/low order generation, high order cancellations, manual orders, stock-outs, and overstock situations.
- **Multiple systems and processes for global supply planning and execution:** These resulted in order mismatches across the system, and had a negative impact on forecast accuracy. It became critical for the customer to ensure stability of their supply planning and execution processes by generating accurate order proposals and improving order accuracy.

Critical Order Flow (COF) involves several applications covering replenishments for: DC to Selling Unit, Supplier to Selling Unit, and Supplier to DC. For the client, COF was a critical process which helped in the daily needs calculation for stores, CDCs, and DCs with the resulting production and distribution of order proposals and issuing orders to suppliers and DCs. COF entails the cooperation of a large number of IT services with a number of deadlines, where any deviation could cause a serious impact on the business.

Key objectives of the project were:

- Ensuring accurate and timely communication to stakeholders
- Identifying inter-system dependencies due to releases and major developments, to minimize risks on the end-to-end supply chain
- Focusing on performance improvement across the supply chain using a preventive, corrective, adaptive, and proactive approach

- Enabling retail replenishment quality and quantity checks, providing visibility of details such as missing stocks, high/low orders, etc.
- Providing historical volumes and comparative reporting

In 2012, the client provided an opportunity to HCL to streamline its COF and provide better visibility into its supply chain. With HCL's help, a detailed supply improvement plan was built that included several short-term, middle-term, and long-term solutions.

HCL consolidated all business critical processes, across vendors, under one umbrella to provide better visibility and predictability in the process. HCL also developed a dashboard to provide near real-time monitoring of processes and forecasting any irregularities in the order planning and execution.

Some of the solutions implemented by HCL were:

- **Order synchronization:** An automatic order reconciliation solution that ensures that the customer's order planning processes receive accurate and timely order and stock updates
- **Business-aligned dashboard:** A dashboard to provide a network-wide, transparent, and operational view of order planning and execution processes - in near real-time
- **Order accuracy:** By analyzing and monitoring orders, HCL defined quality checks and order thresholds to measure order accuracy across multiple supply chain touch points

DELIVERY METHODOLOGY

HCL's culture, values, and business principles revolve around 'Employees First, Trust, Transparency, Flexibility, and Value Centricity'. HCL followed these core principles at every stage of the project delivery. The entire project was managed by an overarching steering committee responsible for managing and tracking progress, reviewing key issues, and developing strategic plans to mitigate risks.

Beneath the governing structure, delivery and relationship teams were formed to drive the project on a day-to-day basis. HCL believes that a relationship with a customer can be long lasting and mutually beneficial only if we create value for them. Therefore, collaboration with the customer in a transparent manner was at the heart of everything HCL did in the COF project.

The HCL team, comprising of supply chain professionals, worked together with the global retailer's business and IT teams to analyze their supply chain ecosystem, identify improvement opportunities, and define an implementation roadmap. HCL had adopted a transparent measurement and reporting system. The outcomes were measured using SLA and KPI frameworks which were completely aligned to business SLAs.

Leveraging HCL's expertise and proven solutions, the retail client could resolve their long-standing supply chain performance and visibility issues. HCL's solution enabled the customer to:

- Adopt a functional, rather than compartmentalized/system view to solve supply planning and execution challenges
- Gain near real-time visibility into the customer's purchase order life cycle
- Proactively monitor, govern, and make fact-based decisions
- Measure order correctness and completeness

CLIENT QUOTES

- “100 days without an SLA breach in all flows! It is a great achievement which we all can be proud of. Thank you all for delivering this excellent service and keep going – now we take 365 days into focus.”
 - Service Manager, Critical Order and Delivery Flow
- “It’s really refreshing to see how this service has been consistently improving. I am very impressed with all the aspects including actual performance, reporting, coordination among different stakeholders, proactive process, etc. Great job from all involved in 2014 and I am looking forward to the results that you will achieve in the year 2015. Thanks!”
 - Unit Manager, Range and Supplying



Hello there! I am an Ideapreneur. I believe that sustainable business outcomes are driven by relationships nurtured through values like trust, transparency and flexibility. I respect the contract, but believe in going beyond through collaboration, applied innovation and new generation partnership models that put your interest above everything else. Right now 105,000 Ideapreneurs are in a Relationship Beyond the Contract™ with 500 customers in 31 countries. **How can I help you?**

Relationship[™]
BEYOND THE CONTRACT

HCL