



Continuous Working Capital Reduction *Inventory Optimization*

Powered by Pegasystems



Business Situation

Many organizations undertake Lean, Six Sigma, and similar continuous improvement initiatives and/or invest in advance planning and optimization tools. These investments are intended to improve performance and to maintain optimized working capital. Such initiatives, however, often do not deliver expected financial outcomes regardless of the level of maturity of the organization and the committed efforts of the management team.

Inventory management is an area that organizations often struggle with while optimizing operations.

Business Challenges

- While many resources are invested in inventory planning, the execution of inventory management often lacks focus and is not continuous. Corrective actions often taken late
- Lean and Six Sigma methodologies tend to generate localized improvements, indicating lack of a holistic approach
- There is an absence of a systematic approach for inventory execution needs (visibility, priority, and corrective action)
- There is a dearth of systems that leverage intelligent rules to suggest corrective actions for ensuring continuous improvement

Solution Overview

Many industries struggle to strike the right balance between stockout and an excess stock situation. An imbalance could result in the undesirable effect of either inventory overstock and mounting working capital or understocking and loss of sales.

Continuous Working Capital Reduction

A consulting-led solution offering developed by Tech Mahindra pinpoints the critical areas that require attention. This differentiator enables companies to get direct bottom-line impact and improve operational parameters.

This solution leverages the strengths of multiple methodologies including Lean and Six Sigma to provide a holistic system view across the business chain. We have built a **dynamic case management framework** that provides an agility layer on top of the existing systems. This layer handles end-to-end execution and has key decision management capabilities which promote continuous improvement.

Solution Components

- Predefined structure to configure nodes/supply chain links quickly with the target inventory for each link
- Predefined data model and structure to jump-start the application
- Prebuilt/configurable frameworks for buffer management and inventory alerts
- Dynamic Case Management for handling exceptions
- Decision Management to allow multiple sources of rules to be applied to the decision, to permit the integration of predictions and forecasts, and to support short-term adjustments and "tweaks" as necessary

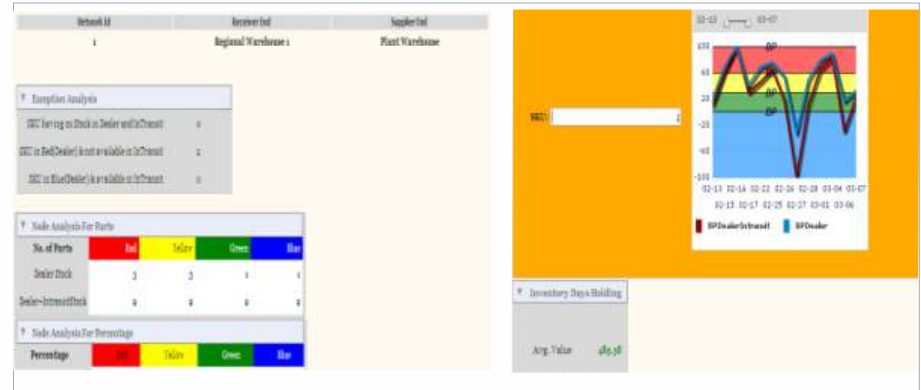
Industry Scenarios

Working Capital Reduction offering can be extended to industries such as Manufacturing, Hi-tech, Energy & Utilities, and Retail & CPG.

Solution Benefits

- Reduced overall inventory by 20% to 30% while improving availability
- Increased EBIDTA level by 10%
- Reduced shortages and production stoppages
- Unified environment provides visibility of buffer stocks across the supply chain
- System flexibility automates corrective actions based on changes thereby ensuring continuous improvement

Solution



About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 2.7 billion company with 83,000 professionals across 49 countries, helping over 560 global customers including Fortune 500 companies. Our Consulting, Enterprise and Telecom solutions, platforms and reusable assets connect across a number of technologies to derive tangible business value. We are part of the USD 16.2 billion Mahindra Group that employs more than 155,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, and information technology and vacation ownership.

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About Pegasystems

Pegasystems Build for Change® technology is the heart of better business software. It delivers business agility and empowers leading organizations to rapidly close execution gaps and seize new opportunities. Pegasystems is the recognized leader in business process management and is also ranked as a leader in customer relationship management software by leading industry analysts. For more information, please visit us at www.pegasystems.com.