

# S&OP WITH LIGHTHOUSE

## **VE COMMERCIAL VEHICLES**

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

## OVERVIEW

VE Commercial Vehicles is a joint venture of Volvo Group and Eicher Motors manufacturing trucks and busses in India. The Spares part business has a Mother Distribution Centre at Pithampur, Indore in India. The DC caters to the entire country. The warehouse caters about 3500-5000 order lines a day with a delivery promise time of 24-48 hrs. for any dealership in the country.

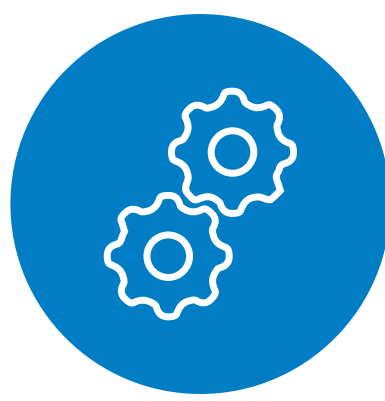
## BUSINESS SITUATION

High Non-linearity in monthly demand • Lack of a comprehensive Forecasting & Indenting process at Dealership • Incorrect mix of FERT Code Stock at Plant & Dealers • FERT Code wise stocking norms missing • Frequent changes in production plan due to high market variability

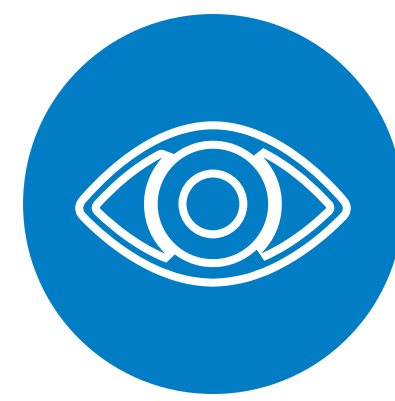
## VALUE DELIVERED



2-3% improvement Customer Service Levels and Fill Rates



15% improvement in Forecast Accuracy

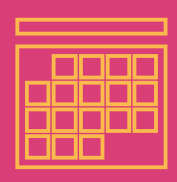


Significant improvement in visibility and reduction in Planning process time

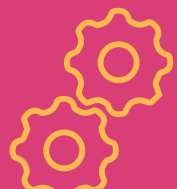
## SOLUTION IMPROVEMENTS & ADD-ONS



Reduced inventory levels for both dealers and Plant for a higher customer service level



Reduction in planning process time as all the processes – Demand and Supply were facilitated through Lighthouse



Forecast accuracy from 55% to 70% for two division and 30% to 60% for another division



## SOLUTION

Lighthouse Demand Planning Solution generated forecast for dealers factoring in past sales and market inputs across the entire dealer network of 118 dealers

Lighthouse Supply planning proposed the right inventory levels at dealers and plant location

Lighthouse Fulfilment solution generated the right production requirements accounting