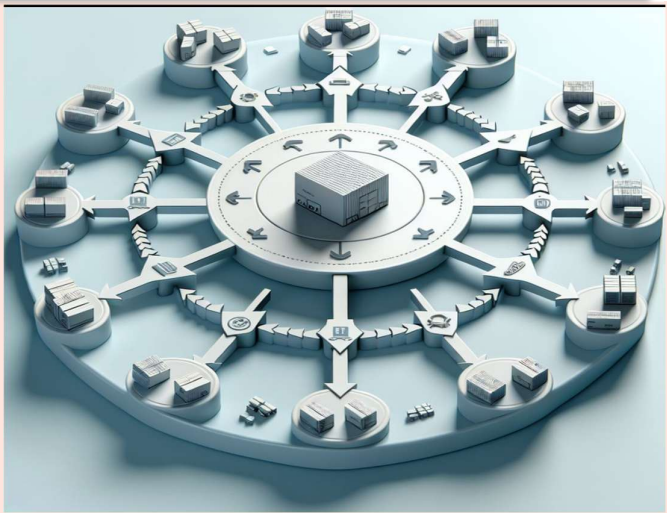
Case Study – Automotive Aftermarket

De-Centralised Supply Chain Distribution Model



CHALLENGE

The aftermarket business faced challenges with delivery speed, inventory availability and regional demand fluctuations. The Central warehouse could not meet the goal of delivering PAN India effectively withing the given lead times.

Last Mile Delivery – 7`9Days

Last mile delivery was taking more time from centralised warehouse to customers

Centralised Warehouse

Catering PAN India was a challenge from a single location

DATA ANALYSIS

- Analysed demographic data
- Found Regional patterns
- 90% parts from Europe region by SEA

- Last Mile delivery was by Road only
- Customer Expectations on last mile delivery was 2`3days

- Most of the Parts were imported from Europe with high lead times of 100`120days.
- Current Warehouse proximity to port is a challenge

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RESULTS

3 — Last Mile Delivery Lead time Avg

Parts Availability — 90%

60 — Avg Import Lead time

SUMMARY

The project improved a centralized distribution model by transitioning to a Hub and Spoke Model. The hub, placed closer to the port, reduced shipping times significantly. Spokes in key locations across India ensured faster, more efficient deliveries. A robust regional forecasting model was implemented for accurate demand prediction and timely stock replenishment. Cost management was also prioritized, negotiating warehouse costs for the best rates.

Key Results:

- Reduced Shipping Times
- Improved Delivery Performance
- Enhanced Inventory Management
- Cost Efficiency
- Customer Satisfaction