Case Study

KTCS

"Improved inventory and WIP accuracy, Reduction in inventory reconciliation time"

Case Study

One of our clients, a US based high tech semiconductor major, has a contract manufacturing environment. It works with multiple contract manufacturers based out of countries including Taiwan, Korea, China and Japan. It typically plans of these entities in its supply chain and to a large extent won the inventory in the supply chain. Being so establishing traceability of inventory movement and establishing a mechanism to facilitate inventory reconciliation was a business priority. This was a big challenge given diversity of manufacturing processes and manufacturing execution systems various contract manufacturers had. By closely working with the CMs we developed a lot tracking solution that was a mix of implementation of business applications and development of facilitating b2b utilities. The solution helped quickly simulate manufacturing activities of CMs in client's system and enabled daily updation of inventory and WIP. This scalable solution has reduced inventory reconciliation time from 3 days to 2 hours. It also has enabled a quick inclusion of new contract manufacturer in the supply chain.

Quick and accurate identification of excess and obsolete inventory (E&O) in the supply chain

In a supply chain characterized by

  - ➢ Presence of multiple contract manufacturers at various stages of the product build process
  - ➢ Presence of multiple wafer suppliers,
  - ➢ Variable demand
  - ➢ Need to enable wafer transfers from nearest nodes to nodes with high demand

It is a tough task to identify and track excess inventory and generate right information to classify excess inventory as obsolete.

Our client belonging to high tech semiconductor industry faced this issue of accurately identifying excess and classifying it into obsolete at the right time. Being so start of business initiatives aimed at consuming excess inventory and decisions on inventory write offs got delayed unnecessarily.

Our E&O (Excess and Obsolescence) solution based on information generated by advanced supply chain planning engine and past inventory consumption records generated right information on current excess, inventory consumptions trends and possible inventory use up to fulfil future demand over planning horizon. All of this presented at most granular level in a very user friendly manner. This helped the inventory planners quickly generate accurate information so that E&O decisions were taken by management with increased frequency.