



**moglix**

Moglix implements  
Kanban system for a leading auto component  
manufacturer to boost efficiency

## Executive Summary .....

Moglix worked with a leading auto component manufacturer across their 6 plants in India to streamline their tail end spend. Moglix established a Kanban system at the client premises thereby managing client's inventory for indirect materials through a just in time inventory management system. Also, Moglix helped the client consolidate its suppliers through this activity. As a result, the client has been able to considerably reduce their lead time to source materials and improve their overall man hour efficiency.

## Company Profile.....

The customer is one of the leading Aluminum Die Casting components, Machined & Painted Assemblies Supplier to world's largest motor cycles manufacturer and renowned automobile OEMs. Having six plants located at Haridwar, Ludhiana, Chennai, Gujarat & Bawal, the company has a capacity of more than 65000 tonnes of aluminum processing annually. The manufacturer is an industry leader in 2-wheeler alloy wheels with installed capacity of 5.8 million wheels annually.



## Tangible Benefits .....



50% Inventory  
Reduction



40% reduction  
in Lead Time



30% Vendor  
Consolidation



Just in time  
Delivery

## Business Challenge .....

Providing Just in Time Delivery to all their indirect material requirements through an automated procurement portal.

### Unoptimized inventory:

Client's inventory for maintenance, repair and operation materials (MROs) was unoptimized, leading to over stocking or understocking sometimes. They were communicating over email/-phone to replenish their current inventory for MRO products, leading to high lead time to source materials.

### Developing supplier base owing to expansion:

The client was expanding to two new locations and they didn't have quality relations with local suppliers. By partnering with Moglix, the client was able to leverage supplier pool of Moglix in expanded areas and thus ensure timely commissioning of the plants.

### Fragmented Supplier Base:

While operating in 5 different states the customer was buying Non-BOM products from 500+ vendors. For the same product, they had different vendors across different plants. The customer was unable to leverage their aggregate buying power, moreover unable to optimize their supplier management bandwidth.

### Weak Data Quality:

The customer encountered the challenge that against same part code, different plants were procuring different items. There were instances of mismatch of specifications, as well as mentioning of outdated brand names in requirement.

## Non-Standardized Products:

One of the other problems the customer encountered was that products with similar applications and specifications were bought across different brands, across different plants. This reduced the customer's buying power in a brand and al.

## Prices Standardization:

Different pricing structures across different plants along with different discount slabs and terms and conditions. This resulted in different prices being paid for the same product across various plants, further leading to high costs of procurement.

## GST Compliance:

Due to the wide unconsolidated vendor-base and unstructured vendor-relationships, SMEs and sourcing managers envisioned that GST compliance, could become a huge issue, in the long run.

## Solutions Deployed .....

1

In Phase 1, Moglix studied the customer's purchase pattern, across plants in Northern region and in order to ensure uniform pricing across the clients' various plants, a flat pricing structure with standardized discounts was agreed upon.

2

The categories in which data was ambiguous and unclear, were identified (i.e. categories with product-description mismatch and outdated products), post which we began the analyzing and cleaning of the ambiguous data.

3

For all the items serviceable by Moglix, corresponding vendor codes were closed in the customer thereby bringing 40% vendor consolidation.

4

The customer was provided with access to Moglix's procurement portal i.e. buyers.moglix.com. Moglix established a Kanban system close to client's premises, thereby ensuring that inventory is optimized.

5

Having access to Moglix portal buyers.moglix.com, Moglix was able to have a holistic view of the client's inventory through analytics and dashboards.

6

The portal also gave the customer access to analytical computations/solutions, thus granting them plant-wise visibility. The portal enabled real time tracking of goods. The customer could now also check and track the status of items on e-platform, ensuring transparent communication

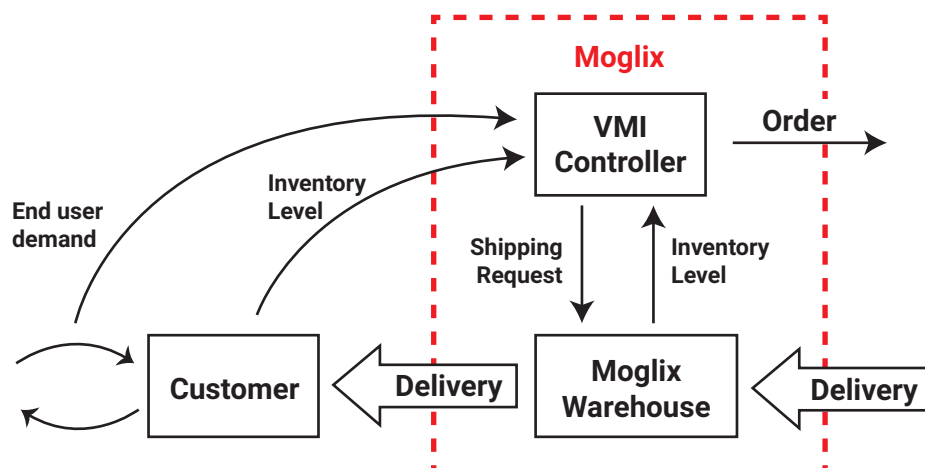
7

Due to the alternate supplier sources and cost-cutting suggestions made by Moglix, the customer witnessed a significant decrease in their procurement costs and tail-spend.

8

Moglix helped the customer to attain full GST compliance by taking care of the sequential liability for all procurement done through Moglix.

## Flow of goods with Kanban system .....



## About Moglix .....

Moglix is India's largest and fastest growing B2B Commerce company specializing in B2B procurement of industrial products. We extend our expertise in supply chain to solve problems related to digitization of supply chain as well as making it GST compliant.

We have worked with more than 400+ leading organizations and 500,000+ SMEs across India, to name a few are GSK, Havells, Yamaha, Lumax, Tata Chemicals. We are backed by trusted investors like Mr. Ratan Tata, World Bank, Accel Partners and Jungle Ventures and Moglix's Board of Advisors has manufacturing and technology stalwarts like Tata Group Chairman Emeritus Ratan Tata, Jim Baum, Ex- CEO Netezza, Shailesh Rao, Ex-VP, Twitter, Ex- Google, Anurag Srivastava, Founding and Managing Partner of Jungle Ventures, Jeff Epstein, Operating Partner at Bessemer Venture Partners and former CFO of Oracle. Till date, we have received a funding of USD 41 MN. Moglix is a part of the first cohort of startups incubated by SAP Startup Studio and supported by Bernd Leukert, Member of the Executive Board, SAP.

We are 450+ strong team headquartered in Singapore. In India, we are based out of Noida, with regional offices at Delhi/NCR, Mumbai, Ahmedabad, Kolkata, Chennai, Aurangabad, Pantnagar, Bangalore, Ludhiana, Hyderabad and Pune.

## For Further Information, Contact Us .....

### Partha Dash

Senior Vice President -  
Business Operations

### Mukul Gupta

Director- Enterprise  
Sales(North)

### Mohit Gulyani

Director- Enterprise  
Sales(North)