Business Excellence through e-Kanban in pump industry

Case Study
India

About Client:
Based in Western India, client is a leading submersible pump manufacturer with reach across India region and a significant share of the Indian market. Client is serving with 20 branches and over 20 distributors, an export network spread across 50+ countries since 8 decades.

Major products of clients are agriculture pump set, domestic pump set, submersible pump set & motors, cable, control panels, etc.
**Analysis**

Faber Infinite conducted initial analysis, it included the following:

- Detailed data analysis of current pump components
- ABC analysis to identify major “SKU” (Stock Keeping Unit)
- Developed scientific inventory management module based on Plan For Every Part (PFEP) & Variable Time Fixed Quantity (VTFQ) model for inventory management
- Redesigned ERP (Enterprise resource planning) as per VTFQ ((Variable Time Fixed Quantity) framework
- Vendor development, qualification & agreements
- Implemented e-Kanban

**Approach**

**Project Initiation**

- Project started with detailed data analysis for all SKUs related to V4 pump
- A dedicated team comprising of purchase & store team members was set up
- Structured Inventory management module was rolled out as per the VTFQ framework for pilot 50 items
- Conducted training for team about inventory management, VTFQ framework as well as Kanban methodology
Project Implementation

- Data analysis was conducted for all SKUs (stock keeping unit) related to V4 pumps, where the data was analyzed for last 12 months consumptions, future demands, current stocks & supplier lead times
- ABC analysis was initiated to prioritize 50 items for 1st phase of kanban implementation
- Analyzed the data in detail for all other inventory items & rolled out revised inventory management module for all the items
- Calculated maximum inventory, buffer stock, safety stock, reorder level and average inventory as per VTFQ (Variable Time Fixed Quantity) framework & designed Kanban for each item
- Rolled out vendor development & qualification program, and vendor agreements as per Kanban requirement
- Revised ERP to establish linkages between the ERP & e-Kanban
- Established an auto alert mechanism for triggering the replenishment as per Kanban methodologies
- Established and implemented dashboard to monitor effectiveness of Kanban

Results Delivered

Inventory reduced by 28%
Zero line stoppages due to any of items
No separate planning required for any of the items
Eliminated variation in system
Auto replenishment mechanism implemented

Sustenance

Implemented results are sustained over a period using Systematic Audit & Improvement Loop (SAIL) & Daily Work Management (DWM)

Visit Faber at www.faberinfinite.com for more information and a complete list of regional contacts or send us e-mail: consulting@faberinfinite.com