TVS MOTOR

MANAGING GROWTH AND IMPROVING PRODUCTIVITY AND INSIGHT

QUICK FACTS

Industry
Automotive

Revenue
US$1 billion

Employees
Around 6,500

Headquarters
Hosur, India

Web Site
www.tvsmotor.in

SAP® Solutions and Services
SAP® ERP application for sales and distribution

With 15 million customers, TVS Motor Company is the third largest two-wheeler manufacturer in India and among the top ten in the world. The company's rapid growth in exports made the manual process of fulfilling orders costly, time-consuming, and subject to in-accuracies. By integrating bar-code and wireless technology into its deployed SAP® ERP application, TVS Motor not only eliminated errors in its export orders, but it nearly doubled staff productivity.

Key Challenges

- Manage rapidly growing export business
- Improve productivity and customer service
- Lower operational costs around exports
- Automate pick, pack, and ship processes
- Eliminate shipping errors
- Establish total visibility of exports from point of origin to point of consumption
- Meet multinational export requirements

Why SAP Was Selected

- 10 years of success using the SAP ERP application
- Familiar, intuitive workflow and interfaces
- Minimal configuration required for wireless and bar-code technology integration
- Enterprise-wide availability of parts' sales and distribution information

Implementation Best Practices

- Multidisciplinary project team involving key stakeholders and top management
- Custom-built wireless carts linked in real time with SAP® ERP to streamline pick, pack, and ship operations
- Process reengineering using industrial engineering principles
- Single project blueprint for simultaneous deployment to all plant locations

Low Total Cost of Ownership

- Completed project on time and within budget
- Implemented software completely in-house
- Leveraged deployed SAP application to minimize customization and avoid costs of new software

Financial and Strategic Benefits

- 100% ROI within 2 months
- Greater cost competitiveness
- Improved customer satisfaction
- Visibility of shipments
- Faster resolution of quality issues
- Reduction in premium freight costs (for missing parts)

Operational Benefits

Key Performance Indicator	Impact
Reduction in mismatched parts	-100% (eliminated)
Reduction in missing parts	-100% (eliminated)
Worker productivity	Almost +100%
Shipping costs	-12%
Staffing level required for export operations	-45%
Walking distance required to fulfill 90 vehicle orders	-99.6% (Reduced from 9.6 km to 40 m)

"SAP ERP has helped us improve our productivity by nearly 100%, and it has improved the accuracy of our orders. We expect to realize many more business benefits in the coming years using the SAP software."

T G Dhandapani, Group Chief Information Officer, TVS Motor Company

www.sap.com/contactsap

Delivering Customer Satisfaction on Two Wheels

TVS Motor is the third largest two-wheeler manufacturer in India and one of the top ten in the world. With a wide range of mopeds and racing-inspired motorcycles, TVS Motor delivers the highest standards of innovation, quality, and service to its 15 million customers. The company's commitment is paying off; it has achieved a compound annual growth rate of 25% for exports, accounting for 15% of total sales revenue.

Tuning Up Export Operations

But to meet the rapid growth in exports, TVS Motor had to overcome some critical challenges around the order fulfillment process, which involves exporting the vehicles unassembled (to reduce shipping costs). T G Dhandapani, group CIO at TVS Motor, explains, "Staff had to physically walk throughout the warehouse facilities fulfilling each export order. This was a highly manual effort without any controls integrated into the process."

This would sometimes result in missing or mismatched parts, requiring TVS Motor to pay additional costs to reship the correct components. "Our operating expenses were too high, and we lacked visibility of our picking, packing, and shipping processes. We could not track the orders to final delivery," explains Dhandapani. "Plus we required a lot of staff to fulfill the orders."

Bringing the SAP® ERP Application Along for the Ride

To optimize its export operations, TVS Motor turned to its deployed SAP® ERP application. The staff was familiar with the intuitive user interfaces and workflow, having used the software for a decade. "We recognized that with minimal customization we could achieve operational excellence," says Dhandapani. By integrating bar-code and wireless technology with the sales and distribution functionality of SAP ERP, the company could improve order accuracy and productivity.

Innovating a la "Cart"

Using an in-house multidisciplinary project team, the company developed a unique cart that houses a scanner, bar-code printer, and a weighing scale that communicates wirelessly with SAP ERP. Instead of having workers individually count the parts that are shipped in quantity – such as nuts and bolts – the parts are weighed on the cart's scale; when the precise, "predetermined" weight is reached, a bar-code sticker is generated. In addition, because each part's exact location is transmitted to the cart, workers no longer waste time looking for the right part. SAP ERP also helps ensure that orders are optimally packed and arranged in shipping containers to maximize space and reduce freight costs.

Achieving Order Accuracy, Efficiency, and ROI in Two Months

Within two months, TVS Motor achieved 100% ROI on the project, dramatically improving order accuracy and operational efficiency. The company eliminated missing and mismatched parts in its export orders, resulting in a 12% reduction in expedited shipping costs. And because SAP ERP provides full traceability of international shipments, the company can address customer order inquiries much more quickly. Productivity has also improved, allowing TVS Motor to shift 45% of its export operations' staff to more critical activities. "One worker would walk 9.6 kilometers to fulfill 90 orders," says Dhandapani. "We've cut that down to 40 meters."

Revving Up for Growth

As export volumes grow, Dhandapani is confident that TVS can easily move new users onto the SAP software as the company expands its warehouse facilities. "We are in a continuous process of using SAP ERP in more innovative ways," he concludes. "And we are looking at other SAP software solutions to help our business continue to thrive."

50 104 639 (11/04)

©2011 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, StreamWork, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects Software Ltd. Business Objects is an SAP company.

Sybase and Adaptive Server, iAnywhere, Sybase 365, SQL Anywhere, and other Sybase products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Sybase, Inc. Sybase is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

THE BEST-RUN BUSINESSES RUN SAP™