Case Studies

Consolidating sales and distribution processes for Toshiba Europe GmbH

The client

Toshiba Europe GmbH (TEG) is a subsidiary of the Toshiba Corporation, a global giant in electronics with operations all over the globe. It is among the world's largest integrated manufacturers of electrical and electronics components and equipment. TEG's product range includes notebooks, PDAs, servers, copiers, storage devices, and professional visual products. TEG is also responsible for consumer electronics products in Germany, Spain and France.

Business need

TEG's subsidiaries ran their own 'island applications' based on disparate AS/400-based systems. The island applications served well, but had limited capabilities. TEG faced problems of inventory consolidation, planning and information transfer across its subsidiaries. Substantial amount of quality time was spent in ensuring a smooth flow of day-to-day operational matters and for information exchange across subsidiaries rather than on productive effort. To achieve faster growth and reduce costs, it was necessary to have a standard framework, which would enable seamless flow of information for all the subsidiaries within Europe.

Challenges

TEG chose Infosys to be their implementation and support partner to address the following business challenges:

- Information exchange between the subsidiaries was through EDI, as each subsidiary ran its own island application. There were also several AS/400 based-systems communicating to each other via EDI.
- There was lack of visibility across the inventory as inventory management was a human-intensive operation at all the subsidiaries, with each of them manually tracking European subsidiaries.
- Delays were encountered in report preparation, as it was a time-consuming activity based on outputs of various legacy applications.
- On-hand stock information was arrived at after consolidating stock information from various subsidiaries.

Our solution

Infosys implemented and rolled out a solution for sales and distribution across European subsidiaries based on Oracle E-Business Suite 11i, the core of which was a 'single-instance application' with minimal integration of the peripheral applications. Infosys proposed a template-based rollout approach with the implementation of Oracle Purchasing, Order Management, Inventory, General Ledger, Receivables, Cost Management, Work In Process and Bill of Materials modules of Oracle E-Business Suite11i. The implementation was first completed for the TEG headquarters in Germany, and subsequently rolled out to its subsidiaries and sister companies located across Europe. Responsibilities included analysis of business processes, gap analysis, prototyping, solution design, customization of Oracle applications, offshore development of add-on modules, data migration, building interfaces with other systems, and go-live support. The role of the Infosys program management office and rollout team, which drove the rollout plan, was:

- Monitor the schedule
- Set expectations of all stakeholders
- Manage user perceptions
- Handle change management

After the implementation and rollouts, Infosys has also been assisting TEG in maintenance and support of Oracle E-Business Suite 11i to achieve a successful pan-European ERP application.

Business impact

Adopting the Infosys solution enabled TEG to:

- *Standardize business processes:* A pan-European system scalable for the company's future business plans in Europe, which makes the implementation of standard uniform business processes possible
- *Enhance management reporting capability:* Data for pan-European managerial reports is now available in a single instance at the European headquarters
- *Minimize human intervention to track inventory:* Substantial reductions in reporting inventory management mechanisms to track inventory effectively and prudently, which was a highly human intensive operation using various heterogeneous applications
- *Reduce costs of distribution and logistics:* Reduction in cost of distribution and logistics, with enhanced order fulfillment capability and enhanced visibility of stock availability across all European subsidiaries. This resulted in 'available-to-promise' capability and improved supply chain planning and enhanced visibility to the world headquarters
- *Automate business processes:* Completely automated business process enabled reduction in the turnaround time for getting information, such as on-hand-stock, and optimizing local stock at subsidiaries
- *Integrate applications:* Brought in tightly-integrated applications that replaced the various 'island applications' with a lot of EDI data exchanges
- *Improve lead-time:* Improved lead time between TEG HQ and branches/subsidiaries
- *Centralize control and maintenance:* Centralized control and maintenance of system/applications, resulting in substantial reduction in maintenance and operating costs