

MTO Process

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- Need for MTO
- Challenges in MTO process
- Solution proposed in MTO
 - Sales Ordering Process
 - Tentative Delivery Date derivation logic
 - Demand Planning Process
- Combined MTO/MTS process
- Future of MTO process





Customer

- More options to customer to choose
- Right vehicle to Right customer
- Brand New vehicles



Channel Partners

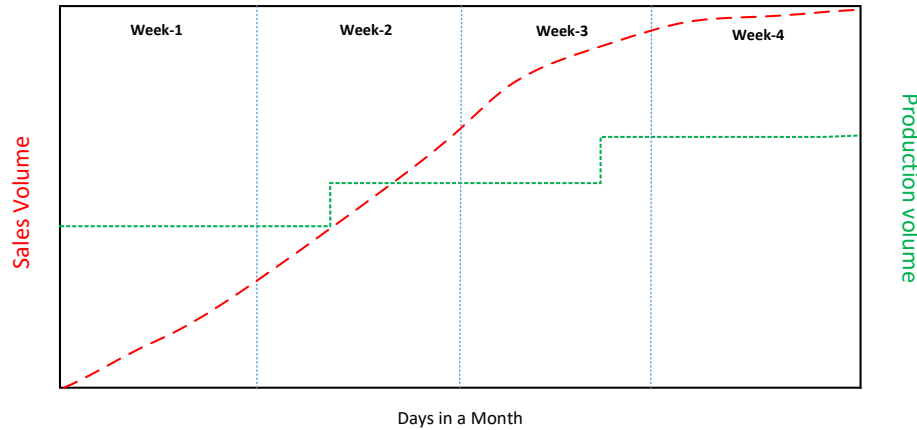
- Less Finished Goods (FG) inventory
- More precise delivery date commitment to customer
- Upselling of features to customers



Company

- Reduction in Working Capital (reduced MTS)
- Reduction in mismatched inventory inside Mfg units
- Streamlined supply chain practise





Buying pattern of the Customer

- Sales will happen gradually in a month (Non-linear pattern)
- Production will be a linear, can increase to a certain extent (Linear pattern)
- We cannot make only if order comes, which is non-linear thus, we need a trade-off



Bank Loan Approvals

- Many banks and financial institutions will process the loans only in the month end.
- Thus making the buying pattern linear in India is tough



Supply Chain Challenges

- Optimized RM and WIP inventory
- Dependency of aggregates between different plants



- Considering the challenges, it was decided to consider the Sales and Operations Planning strategy as



Hybrid Approach (MTO + MTS)

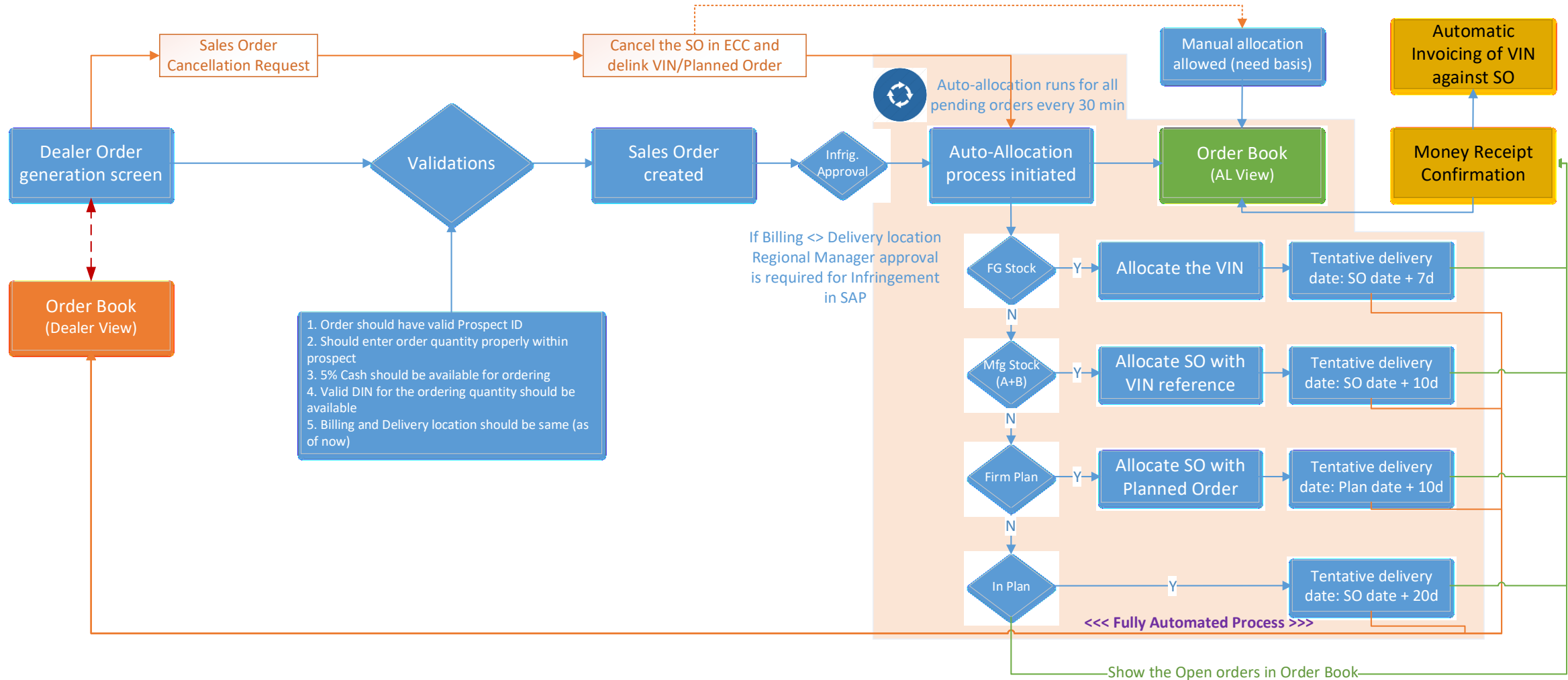
- But even MTS orders also will be earmarked with which “Area Office” demand reference based on Sales Funnel
- Thus for Manufacturing plant every planned order executed will be known for which customer or Area Office or Dealer requirement it is getting manufactured





MTO – Sales Ordering Process (Automated Process)

MTO – Ordering Process (Rekurs every Day)



MTO- Tentative delivery date derived logic



Internal Status	FG Stock	Mfg Stock - A	Mfg Stock - B	Firm Plan	In Plan
		PTS completed	LD-PTS		
SO-1	VIN	VIN	VIN	Planned Order	Blank
SO-3					
SO-4					
Dealer Status*	Ready for delivery	Stock available	In Mfg	In Plan	In Process
Tentative Delivery Date	SO date	SO date	SO date	Pl.Order date	SO date
Planned date of plan <Entered by Sales Planning in Order Book after adding in Sales Plan>					Planned date
PDI	1d	1d	1d	1d	1d
PTS	0d	1d	2d	2d	2d
Outbound Delivery time	Calculated field (CF)	Calculated field (CF)	Calculated field (CF)	Calculated field (CF)	Calculated field (CF)
Expected Date of Delivery	SO date + CF	SO date + 2d + CF	SO date + 3d + CF	PO date + 3d + CF	SO date + PD + CF

This table will be maintained by Sales Planning team for all types of vehicles

Tentative Delivery Process Stages



Order Book View



Order Date	Sales Order No	Invoice No	CBN Reference	PRISM Segment	Model	Funnel Qty	Order Qty	Customer Name	Order Status	VIN/Planned Order Status	Tentative Delivery Date	Delivery Location
15-May-20	SO-00001	AL-12345	CBN-00001	6X4 Tipper	3125	5	5	Kumar	Ready for delivery	MAE23FH233FH212	20-May-20	Visakhapatnam
15-May-20	SO-00002		CBN-00025	10X2	4220	8	4	Ganesh	Stock available	MAE66TW45YH257	25-May-20	Secundrabad
16-May-20	SO-00003		CBN-02954	4X2	Boss 1115	10	9	Magesh	In Mfg	MAE92TW19YH175	25-May-20	Bellary
16-May-20	SO-00004		CBN-00347	8X2 TS	3525	5	5	Anil	In Plan	PO-2802453	28-May-20	Nagpur
17-May-20	SO-00005		CBN-00237	6X4 Tractor	5525	6	6	Sharma	In Process		03-Jun-20	Mangalore

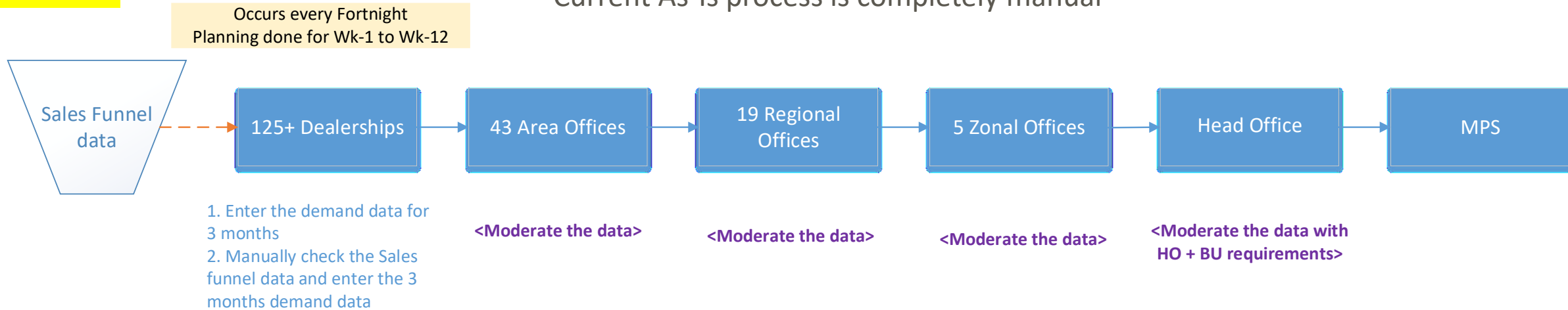




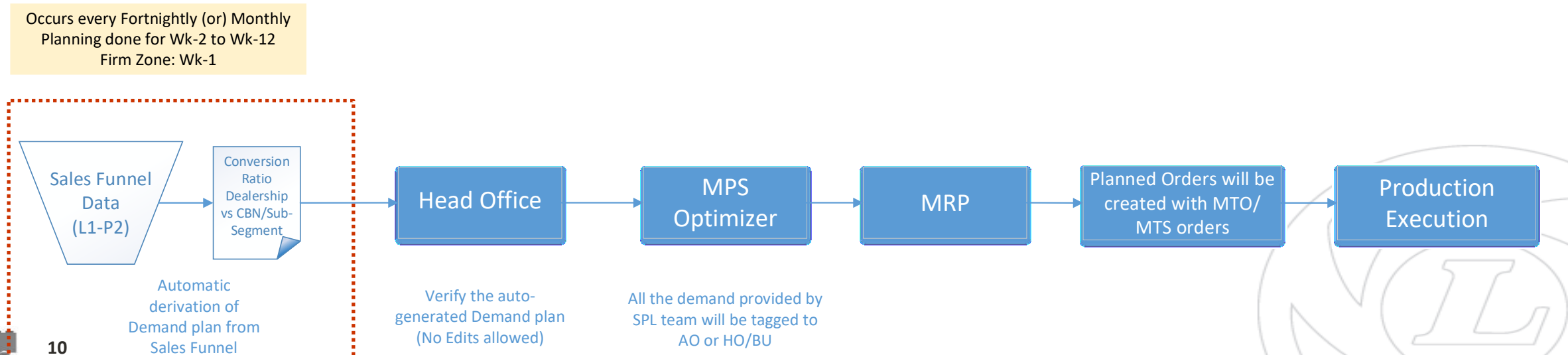
Demand Planning Process

As-Is Process

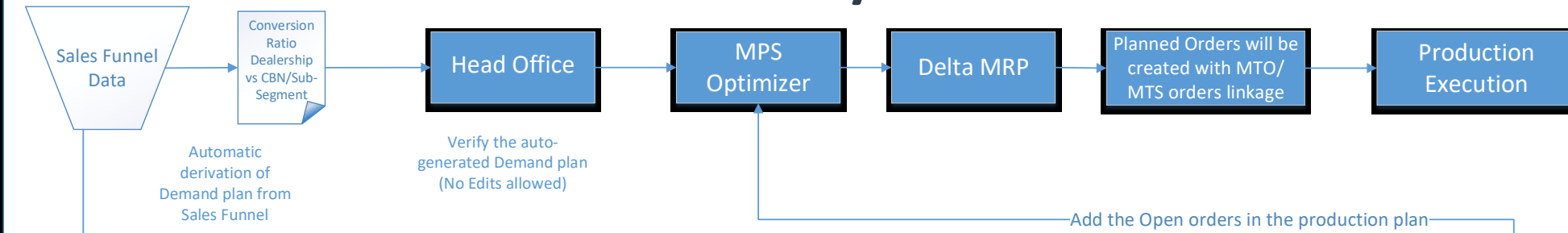
Current As-Is process is completely manual



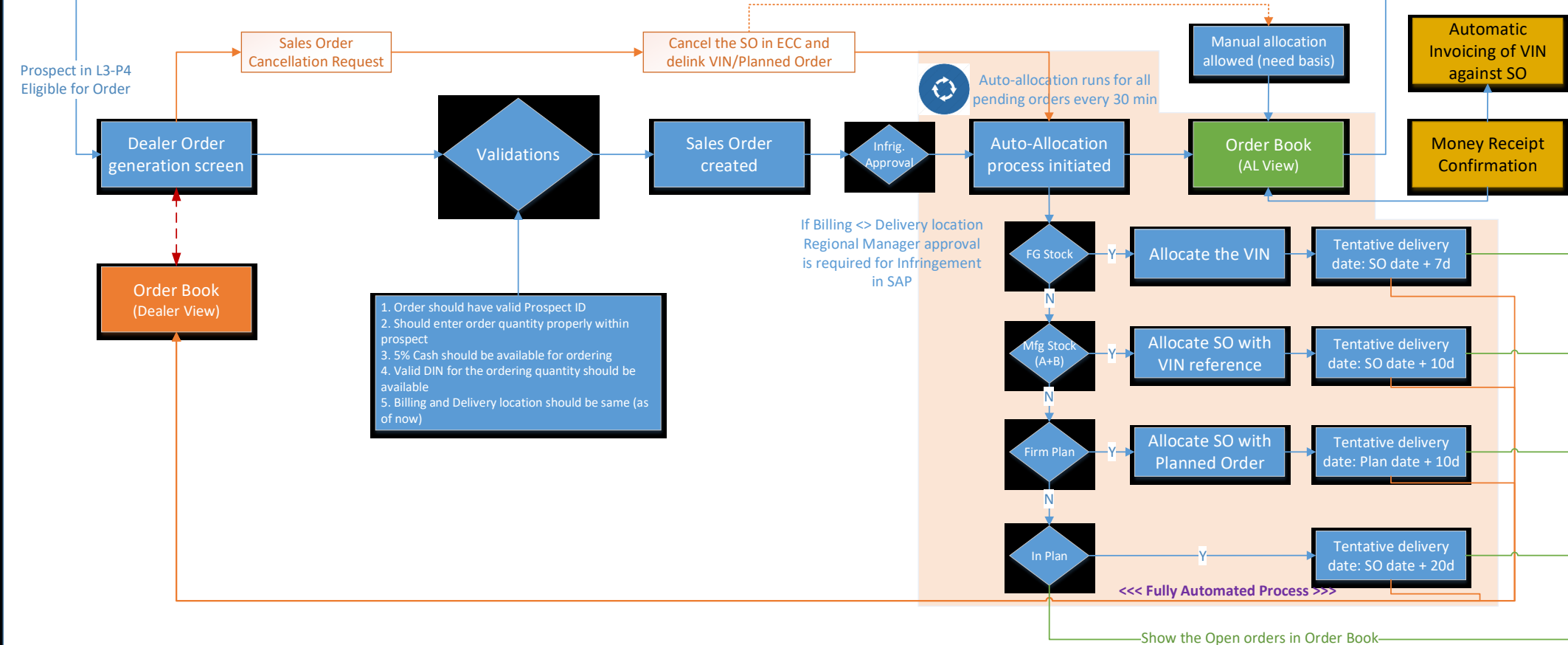
To-Be Process



MTO/MTS Process Flow - Combined



MTO – Ordering Process (Rekurs every Day)





- MTO Process in AL is in nascent stage
- MTO process will be fully automated process (Order to Delivery)
- More workings are going with Supply Chain process to improve the supply of materials (JIT/JIS) with reduced in-house inventory
- Customers can view their order status similar to Amazon (now only with Dealers)
- Commitment date adherence
- Leverage Delayed Differentiation to make less complication in Mfg line





Thank you

