

Order-to-Cash Case Study

WoodCorp Case

Submitted By:
Varun Bhagi
Drishti Nathani
Joyline



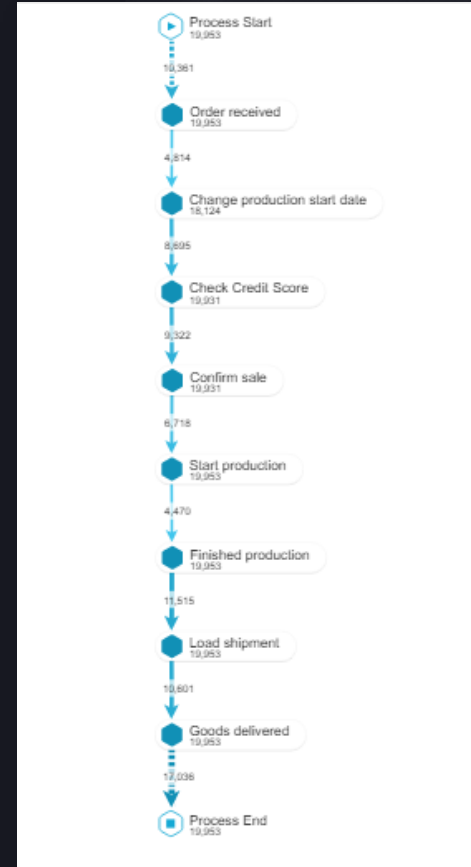
Introduction

The order-to-cash process is a fundamental business process that involves the entire cycle from receiving a customer order to receiving payment and completing the financial transaction. It is a critical process that spans multiple departments within an organization, including sales, customer service, logistics, and finance.

Ideal Process Flow

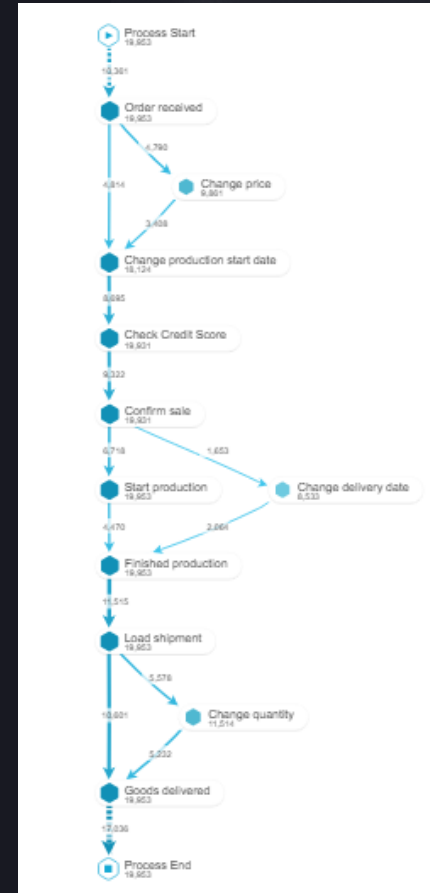
- Ideal case represents the most optimal or desired pathway that a process should follow to achieve the best possible outcome.
- It serves as a reference model for the process, showing the ideal sequence of activities and the expected flow from start to finish.

Here process follows a predefined, clear, and optimized flow with minimal or no deviations.



Deviation Analysis

- In reality, deviations from the ideal case are common and can occur due to various factors such as human errors, system glitches, and unforeseen events.
- These deviations can lead to inefficiencies, delays, errors, and increased costs.
- Addressing these deviations allows businesses to move closer to the ideal case, ensuring better process performance and enhanced customer satisfaction.



| Detected Deviations | | | |
|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Sorting | Case count | Search by deviation name | |
| Change quantity | Change price | Change delivery d... | Credit order block |
| In 58% of cases 11,514 Cases | In 49% of cases 9,861 Cases | In 43% of cases 8,533 Cases | In 10% of cases 2,006 Cases |
| 11,514 +9,720 | 9,861 +8,067 | 8,533 +6,739 | 2,006 +212 |
| 19,525 +5,173 | 11,623 -2,729 | 13,661 -691 | 2,006 -12,346 |

There are 3 major types of deviation that were observed.

Change in Quantity occurs when customers modify the quantity of products or services ordered after the initial order placement.

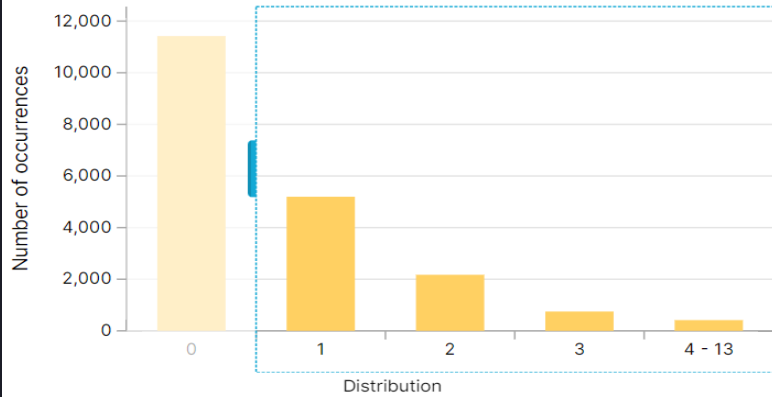
Change in Price arises due to fluctuations in prices or negotiated deals, leading to variations from the originally quoted price.

Change in delivery Date involves requests from customers to alter the originally agreed-upon delivery date.

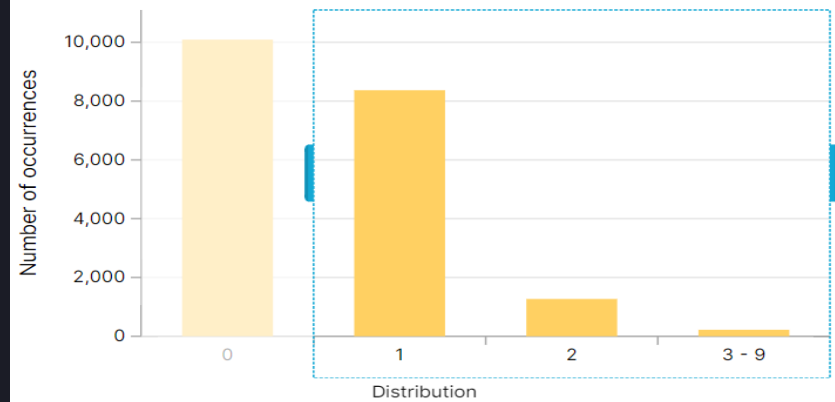
Credit Order Block imposes restrictions on fulfilling customer orders due to creditworthiness concerns.

Rework Instances

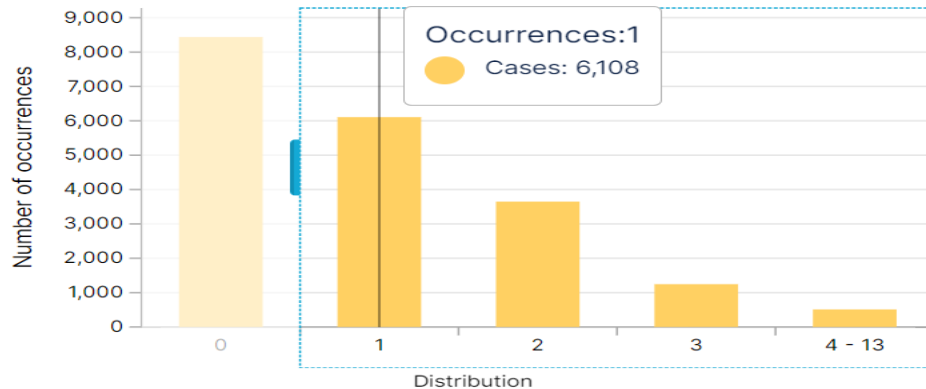
Frequency distribution: *Change delivery date*



Frequency distribution: *Change price*



Frequency distribution: *Change quantity*



ROOT CAUSE ANALYSIS

10,037
deviations

PRODUCT_TYPE

View cases in...

Crates

9,101
deviations

ORDER_TOLERANCE_MET

View cases in...

0

6,223
deviations

FACTORY

View cases in...

Essen, Bonn

6,838
deviations

PRODUCT_TYPE

View cases in...

Crates

6,580
deviations

ORDER_TOLERANCE_MET

View cases in...

0

5,425
deviations

FACTORY

View cases in...

Essen, Crefeld, Bonn

5,495
deviations

ORDER_TOLERANCE_MET

View cases in...

0

5,481
deviations

PRODUCT_TYPE

View cases in...

Crates

4,689
deviations

FACTORY

View cases in...

Essen, Crefeld, Bonn

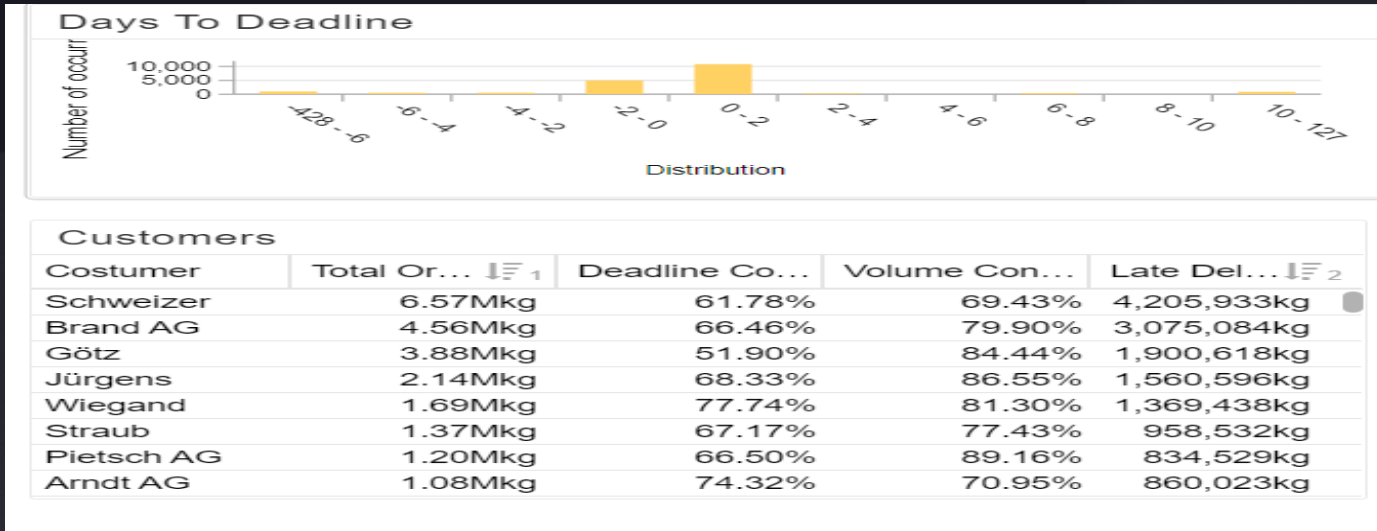
Factory Analysis

| Factories | | | |
|----------------|--------------------|--------------------|-------------------|
| Factory | Total Order... ↓ 1 | Deadline Confor... | Volume Conform... |
| Essen | 30.8Mkg | 65.62% | 82.58% |
| Aachen | 13.6Mkg | 61.43% | 81.83% |
| Bonn | 2.63Mkg | 69.04% | 72.98% |
| Crefeld | 494kkg | 70.11% | 88.76% |
| | | | |
| Warehouse Type | Case count | New Expression ↓ 1 | |
| Automated | 49 | 79.59% | |
| Non-automated | 19,904 | 64.42% | |

Initial Factory Analysis

- Essen have the greatest total order volumes and delivery deadline conformation. Essen alone controls twice the production then the 2nd largest site and is thus crucial to acted upon. Having said that investing in Aachen, Bonn and Crefeld will bring its own rewrad as seen before hand in reducing rework.
- Level of automation as shown through data has thrown some interesting results but need to be investigated further.

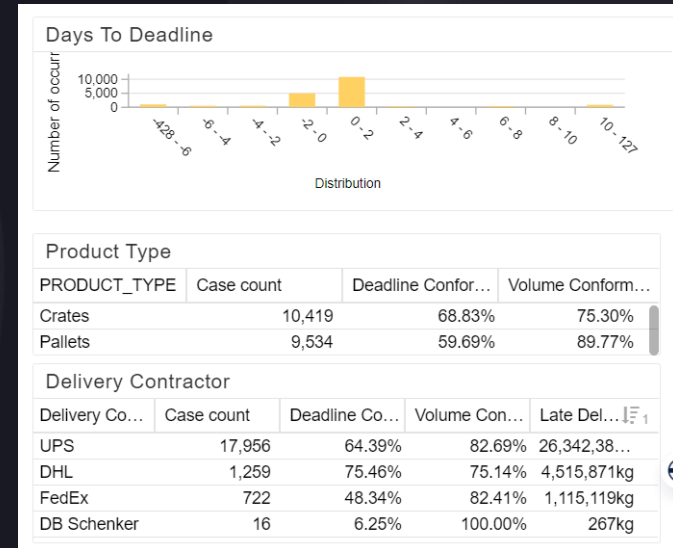
Customer Analysis



- Schweizer , Brand and Gotz are the clients which suffer the most and all of them are supplied through Essen facility. Thus making changes there will have significant impact on the profit of the Wood corp.
- Jurgens is supplied through Achens and thus investing there is as crucial and Essen.

Sales Order Type Analysis

- Sales order analysis is a valuable business practice that involves analysing sales order data to gain insights into various aspects of the sales process.
- From the data we can conclude that DB Schenker and DHL seem to have the lowest delivery delays, and FedEx has the greatest but UPS remains the crucial part because of the sheer number of deliveries.
- In terms of material both crates and pallets need to be improved upon



Sales Order Type Analysis

| Product Type | | | |
|--------------|------------|--------------------|-------------------|
| PRODUCT_TYPE | Case count | Deadline Confor... | Volume Conform... |
| Crates | 5,582 | 67.65% | 79.40% |
| Pallets | 3,511 | 62.40% | 87.64% |

| Delivery Contractor | | | | |
|---------------------|------------|----------------|----------------|----------------|
| Delivery Con... | Case count | Deadline Co... | Volume Conf... | Late Deli... 1 |
| UPS | 7,855 | 65.42% | 82.78% | 16,079,07... |
| DHL | 790 | 79.75% | 76.96% | 3,903,688kg |
| FedEx | 432 | 45.60% | 88.66% | 577,334kg |

| Product Type | | | |
|--------------|------------|--------------------|-------------------|
| PRODUCT_TYPE | Case count | Deadline Confor... | Volume Conform... |
| Crates | 3,627 | 70.39% | 69.34% |
| Pallets | 4,511 | 54.22% | 91.86% |

| Delivery Contractor | | | | |
|---------------------|------------|----------------|----------------|----------------|
| Delivery Con... | Case count | Deadline Co... | Volume Conf... | Late Deli... 1 |
| UPS | 7,495 | 61.47% | 82.66% | 8,102,282kg |
| FedEx | 235 | 49.79% | 68.94% | 503,417kg |
| DHL | 408 | 67.40% | 74.02% | 438,952kg |

- Although both crates and pellet suffer but as can be seen from the data achen enjoys relative advantage in terms of crates deadline conformity and Essen enjoys an advantage in pallets manufacturing.

Business Case



- It is the visual representation of the Business Case analysis. This shows the key insights and performance metrics related to a specific business process

THANK YOU

