The volume of retail business handled by Future Group in 2006 had increased threefold when compared to the volumes handled a few years back, which included brands such as Pantaloons, Big Bazaar, Central, and Home Town. As a result of this growth, Future Group was facing the challenge of handling a large number of SKUs, spread across many different product categories including fashion, home, food, and furniture and consumer durables.

This challenge led to the creation of India’s first end-to-end supply chain services company, Future Supply Chains, in 2007. Future Supply Chains had warehouses spread across the country with very little infrastructure. The warehouses operated on a labour-intensive and manpower-dependent model. As a result, it was getting extremely difficult to keep track of inventory, and space was limited to manage additional storage for increased demand. Retail stores started reporting lost sales because the goods could not reach the stores on time.

The company responded to this challenge by first rationalizing the number of DCs and later consolidating to larger DCs. However, the number of SKUs and volumes had increased substantially, which necessitated a state-of-the-art Warehouse Management System (WMS). For Future Supply Chains, having an effective WMS in place was a necessity and not a choice.

The company created a team to do the ground work in terms of business logic and strategy and at the same time it started analysing the best of breed WMS products available in the market that catered to its needs. "We liked Infor™ as it had better architectural concepts that made it more scalable and reliable," says Samson Samuel, COO and CIO, Future Supply Chains. "However, we selected it not only due to the features and functionalities of the product, but also because Infor had an ecosystem of existing partners and a strong presence across India in terms of manpower, offices, and clients. Infor was associated with us right from the start of our quest for a WMS. All this, coupled with Infor’s willingness to provide support, clinched the deal for them. In fact, we rated Infor 5 out of 5 on our requirements."

"Shelf management has improved tremendously. In fact the overall way in which the business and operations now work has improved drastically.”

—Anshuman Singh, MD & CEO, Future Supply Chains

About the company

Established in April 2007, Future Supply Chains Solutions Ltd is India’s first fully integrated end-to-end supply chain services company. Future Supply Chains is part of Future Group, India’s biggest retailer that connects more than 220 million Indian customers to products and services supplied by over 30,000 small, medium, and large entrepreneurs and manufacturers from across India. The company has a footprint of over 6 million square feet of warehousing space strategically located across India. Future Supply Chains is the first organized intra-city transportation services company in India - carrying out not only B2B deliveries but also B2C deliveries in the form of thousands of home deliveries every day across the country, especially for furniture and consumer durables. To learn more, visit www.futuresupplychains.com.
Getting business specific

Initially the company decided as a policy not to undertake any customizations. But during preliminary study, FSC realized that some level of customization was necessary to localize the product for the Indian market. Therefore its business process team as well as IT team collaborated closely with Infor to localize the product.

“I want our supply chain to succeed. Keeping that goal in mind, my COO and CIO focused on the benefits of the implementation without worrying about the challenges. This all-out approach ensured that the company was able to implement Infor WMS at 18 locations in a relatively short period of just 18 months. Infor helped us consistently at every step of our journey in every way possible. This phenomenal feat would not have been possible without the steady support of Infor,” says Anshuman Singh, MD & CEO, Future Supply Chains.

Vinculum Solutions Limited, an Infor partner in India, was also involved throughout the implementation. The partner played a key role in supporting Infor and Future Supply Chains to complete the customisation and implementation on time and they continue to support the system today.

The real achievement for the company was the fact that changes were being made at fundamental levels of its business operations whilst running an organization whose main retail business was growing at 30-40% per annum even during a period when the world was facing recession. The company started the implementation in January 2009. The first implementation happened at its Hassangarh (in the Northern state of Haryana) warehouse in June 2009. By May 2010, the company had implemented the product at 18 locations across the country.

Seeing results

The benefits of the Infor WMS implementation are now visible across the organization. “All 18 implementations are working at efficiencies in the high 90s and that’s the biggest benefit. A pull system based on actual demand has now replaced a push system that ran on forecasted demand. Earlier, categories like fashion tail stock consisting of a few pieces of apparel could not be traced. Today even the last piece can either be cleaned up or the store can push the sales of the tail stock. We now have reached a level where the tail stocks do not remain with the organization any longer. Shelf management has improved tremendously. In fact the overall way in which the business and operations now work has improved drastically,” describes Singh.

The Infor WMS has also helped the company rationalize its warehouse structure design decisions. The company is now able to handle a very large number of SKUs and ensure 100% stock accuracy as the stock is totally visible online. It is also possible to do stock corrections in real time since all entries are online.

The speed of processing also has improved. The company now receives goods on a sampling basis. Previously the staff used to scan every single consignment as they were never sure of what a vendor was sending or not sending. Even minor errors in SKUs now get corrected online.

“The Infor solution ensures minimum or no shrinkage, high accuracy, very low time and optimum cost to market, security, and on-time distribution to the customer.”

—Anshuman Singh, MD & CEO, Future Supply Chains
Labour productivity and efficiency have increased significantly. Through Infor WMS, Future Supply Chains can now track and measure what each person is doing or contributing. The Infor WMS solution ensures the company has access to accurate stock measurements, visibility of stocks across the DCs, and tail stock clearance. The shrinkages have gone down. Stock replacement and refill rates have reached an efficiency level of more than 90%.

Previously, Future Supply Chains had to stop business for a few days in order to carry out lengthy and manual stock checks and do a wall-to-wall count of what was where in the warehouses. Now it can do the stock check very effectively without stopping the business. “We still do the same things that we were doing earlier but the percentage accuracy has increased from the mid-60s to higher 90s. The time required to do the tasks has been reduced,” says Singh.

Doing business better

For Future Supply Chains, today it is difficult to visualize operating its warehouse business without Infor’s WMS systems. Due to extensive tracking and measurement capabilities, the company is aware at all times as to what is happening with each SKU in the warehouse.

The Infor WMS implementation has ensured that business does not suffer if a person is not available or has left the organization. “The Infor WMS is a perfectly running system today. The implementations are now working at 99% efficiency. Some DCs are even working at 100%. It has helped establish a system-based, technology-based, and process-based model of business. It ensures minimum or no shrinkage, high accuracy, very low time and optimum cost to market, security, and on-time distribution to the customer,” concludes Singh.
About Infor

Infor is the world’s third-largest supplier of enterprise applications and services, helping more than 70,000 large and mid-size companies improve operations and drive growth across numerous industry sectors. To learn more about Infor, please visit www.infor.com.