

Aetos Comprehensive Logistics Excellence Solutions

Aetos DigiLog

(M.J. Infralogg Pvt. Ltd.)

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BRIEF INTRODUCTION ON COMPANY/UNIT

- **Aetos DigiLog:** Established (2018) to address the logistics challenges faced by emerging enterprises in SMBs and MSMEs sector, through technology.
- We are a mix of subject matter expertise, best-in-context technologies and industry-best analytical practices to take our clients on their logistics maturity journey.
- Aetos' innovative digital platform brings Logistics Intelligence at a single click by:

- **Reducing Waste**



- **Building Sustainable Wins**



BEST PRACTICE:

Aetos Comprehensive Logistics Excellence Solution

Case for Digital Transformation

➤ Problem Statement:

- Our client ***ALOK MASTERBATCHES***, industry leader in masterbatches sector, witnessed steep growth in 05 years with geographical expansion & deployment of state-of-the-art manufacturing plants but is unable to achieve planned throughput.
- Manual logistics processes and lack of data visibility creates choke points & dissatisfied customers, impacting the bottom-line.

➤ Scope:

- Deployment of '***AETOS INTEGRATED PLATFORM***' allows **management of inventory, product movement, logistics sourcing and advanced analytics** all available at a single click.
- This '***SINGLE SOURCE OF TRUTH***' enhances organizational decision-making speed substantially.
- We **deliver logistics cost savings** through optimum internal resource utilization and right external vendor selection.
- The platform **gives visibility** of entire Logistics Value Chain from Inward to Dispatch to Delivery **via Inventory Management tool, Inventory Movement tool and E-procurement tool.**
- Every data point gets captured in our data lake which delivers **KPI based performance management**

CHANGES TO PROCESSES

- **TOTAL TIMELINE TO DIGITALIZATION: 7-8 Weeks**



- Manual processes transformed at most coupling/decoupling points.
 - **We delivered planning at RM** receiving level through Advanced Stock Notification feature which will earlier an ad-hoc process
 - **Manual storage converted to algorithm based PUT-AWAY** managing Multi SKU-Multi Grade-Multi Pack Size scenario
 - Manual inventory issue converted to algorithm-based PICKING ensuring FIFO
 - Work Order translated into system created **Transfer Order with traceability of each transaction**
 - FG inward created in the system to ensure right product at right location with **accurate batch management**
 - **Order Picking automated** through consolidated PICK LIST creation **ensuring FMFO**
 - **Vehicle planning** through system to ensure right vendor at the **right price** is deployed
 - **Track and Trace** delivered through Drive Mobile App
 - **Descriptive analytics** with relevant KPIs for shop floor user, department heads and senior management **delivered through data lake**
 - **Freight sourcing is done through e-procurement tool running a complete RFP process**

TECHNOLOGY SOLUTION PROVIDER

SUPPLY CHAIN



SUPPLIER

Communication is mostly email, There is little in the way of predictive RM order generation. There is also little visibility on procurement partners. This is allayed with the cloud based integrated platform that smartly enables productivity & efficiency.



MANUFACTURING

Monolithic ERP is extended to include inventory management & visibility on the cloud. The inventory management tool controls inventory receipt and operational planning to location management & inventory reconciliation.



3PL

Freight cost used to be high due to the unstructured nature of the transportation process. Now, the FG are dispatched through the inventory movement tool which works in co-ordination with logistics sourcing application ensuring right freight cost for every trip & structured vendor management



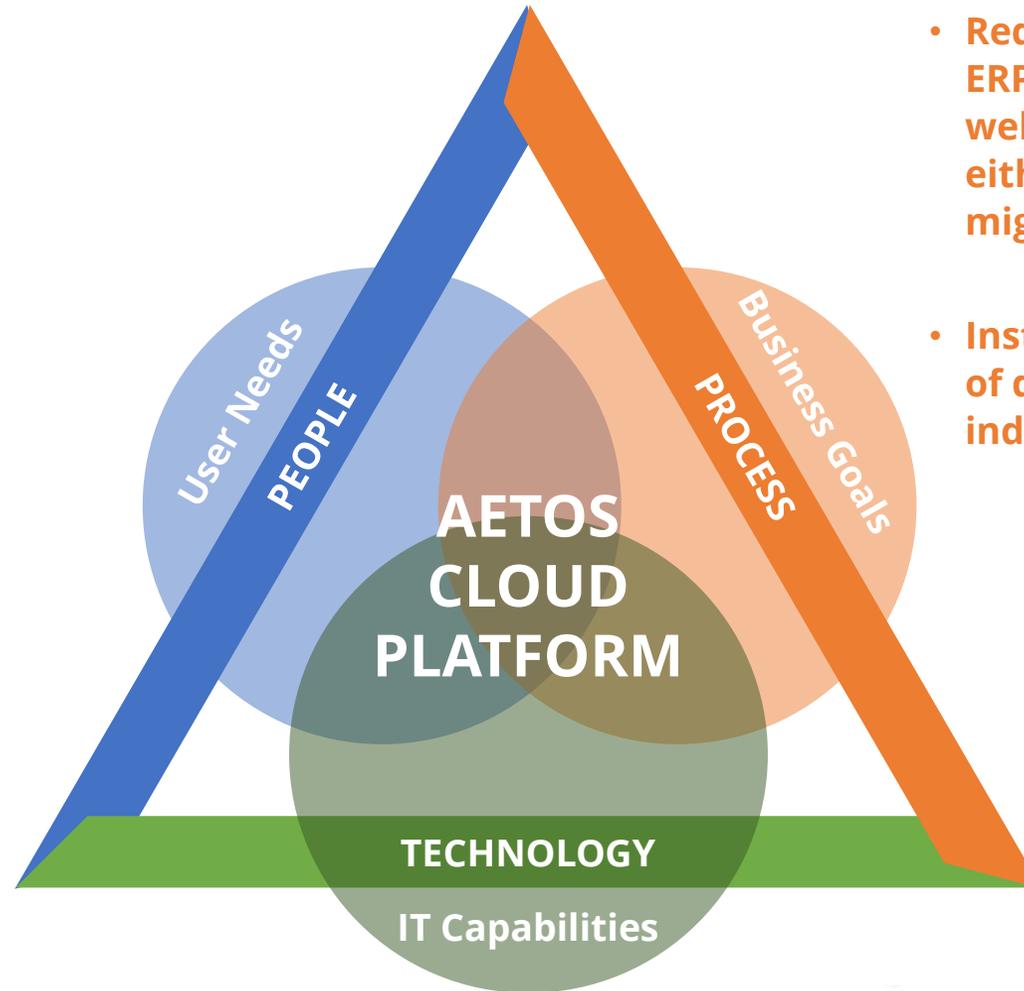
CUSTOMER

We move from the customer having low information to them having full alert-based visibility of their order including any & all exceptions.

● BEFORE
● AFTER

IMPACT OF TECHNOLOGY INTERVENTION

- Supply chain on your fingertips with unified interface & use-anywhere enablement.
- Encourages data-driven decisions through descriptive dashboards & predictive ML models.
- Provide goal planning, metrics and KPI's aligned with business strategy
- Cloud based integrated & agnostic platform to support; optimization, data aggregation, data quality, reporting and data dissemination capabilities.



- Reduces dependency on monolithic ERP systems but integrates with ALL web enabled legacy systems to provide either hybrid or complete cloud migration.
- Institutionalization & standardization of documented business processes & industry best practices.
 - Reduce dependency & become truly vendor agnostic.
- Incorporate supply chain focused mobile applications, collaborative technologies for highest user engagement, efficiency & productivity

USP : KEY DIFFERENTIATORS

Industry Approach

- **FRAGMENTED OWNERSHIP**

- **MODULE BASED APPROACH**

- WAREHOUSE MANAGEMENT SYSTEM
- TRANSPORT MANAGEMENT SYSTEM
- E-PROC
- BUSINESS INTELLIGENCE TOOL

- **INTERNAL BANDWIDTH CONSUMED**

- A Logistics Department needs to undertake process re-design to become compliant to the module being implemented
- They are expected to allocate 75% of their bandwidth during the implementation phase and at-least 50% during stabilization phase
- Manage continuous back and forth between plant team and module vendor
- IT team needs to ensure that backward and forward integrations work right and has technical debt towards building APIs and ensuring accurate data inter change



Aetos Methodology

- **FULL OWNERSHIP OF RESULT DELIVERY**

- **INTEGRATED PLATFORM**

- DETAILED AS-IS MAPPING AND TO-BE SOLUTION
- BUSINESS PROCESS RE-ENGINEERING
- INVENTORY OPTIMISATION AND CONTROL
- COMPLETE VALUE CHAIN VISIBILITY
- DIGITAL SOURCING AND VENDOR PERFORMANCE MANAGEMENT
- KPI BASED DECISION SUPPORT SYSTEM
 - USER LEVEL
 - LINE MANAGER LEVEL
 - SENIOR MANAGEMENT LEVEL

- **INTERNAL BANDWIDTH CONSERVED**

- Aetos operates as outsourced Supply Chain Department and works closely with operations and management teams
- We have an internal IT team which ensures seamless integration and sanctity of data and hence low client IT bandwidth allocation is required

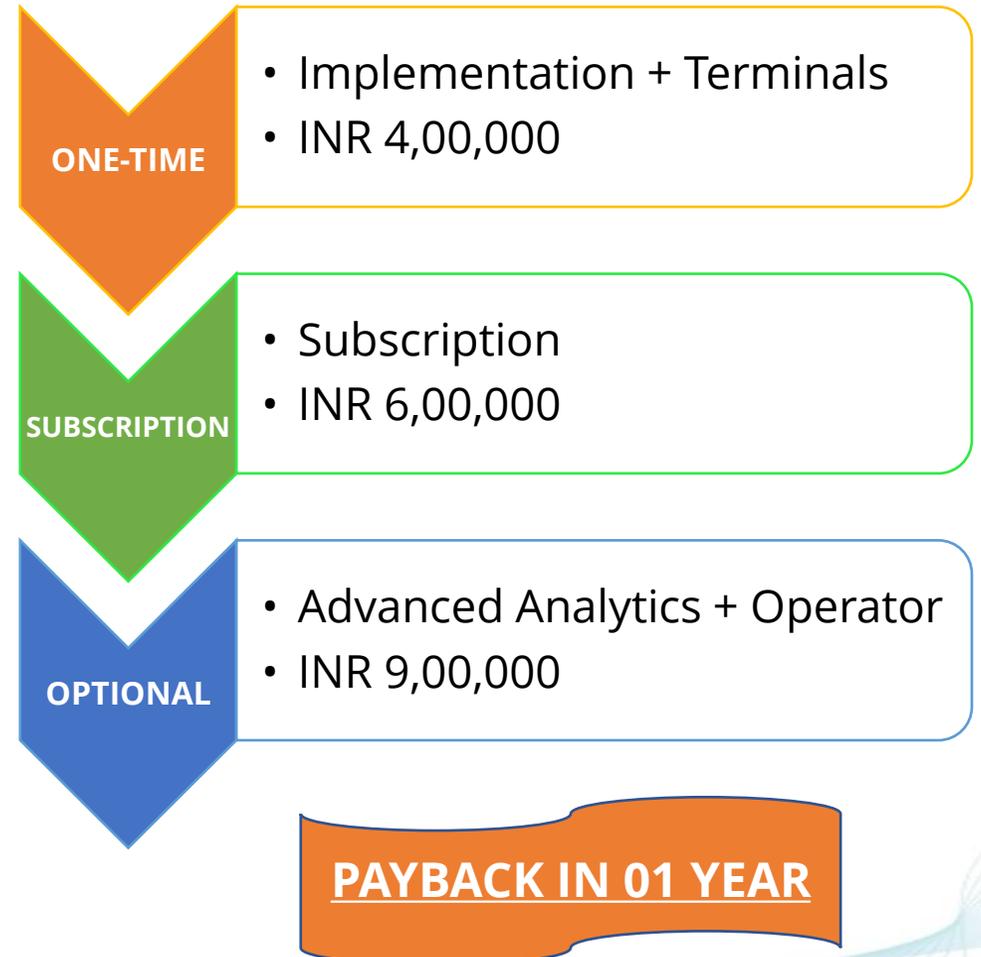


IMPLEMENTATION COSTS: TCO

ONE-TIME COSTS		
IMPLEMENTATION COST	2,50,000-3,50,000	PER LOCATION
IT INFRA	50,000-75,000	Computer Terminal and Hand Held Terminal

SUBSCRIPTION SPEND		
AETOS PLATFORM SUBSCRIPTION	50,000	Per location per month
ANNUAL SPEND – INR 6,00,000 PER ANNUM PER LOCATION		

OPTIONAL SERVICES MODEL		
ADVANCED ANALYTICS	75,000	Per location per month
	1.5-2% of Total Logistics spend	Optional Commercial Model
SKILLED MANPOWER	15,000-20,000	Present ERP operators can easily adapt



BENEFIT REALIZATION FROM AETOS PLATFORM

➤ DIRECT BENEFITS

- Space Utilisation increased by 20%
 - Present Space : 40,000 sq. Ft.
 - Differential : $40,000 \times 20\% = 8000$ sq. Ft
 - Saving at INR 15 per sq. Ft.= INR 1,20,000 per month = INR 14,40,000 per annum
- Freight Cost Reduction by 5%
 - Present Spend : INR 4,20,00,000 per annum
 - Saving : $4,20,00,000 \times 5\% =$ INR 21,00,000 per annum
- Logistics Resource Utilisation increased by 10%
 - Present spend : INR 24,00,000 per annum
 - Saving : $24,00,000 \times 10\% =$ INR 2,40,000 per annum
- Inventory Obsolescence reduced at 10%
 - Present Dead Stock: INR 6,00,00,000
 - Saving : $10\% \times 6,00,00,000 =$ 60,00,000

➤ SYSTEMIC BENEFITS

- Management Bandwidth freed up by 25%
- Standardisation leading to easier product proliferation and geographical expansion
- Better vendor management and credit control for freight

➤ OVERALL ROI

- AETOS SUBSCRIPTION COST PER ANNUM: INR 41,00,000 per annum
- Payback delivered IN 1.1 YRS

ANNUAL SAVINGS	97,80,000
AETOS COST	19,00,000
ROI	~5x

BENEFICIARY SPREAD

SHOP FLOOR USERS

- With our operations expertise, we ensure shop floor buy-in and undertake full change management to deliver benefits

DEPARTMENT HEADS

- The departments heads exert better control over manpower and MHEs deployed
- Achieve high throughput targets

PROMOTER GROUP/ SENIOR MANAGEMENT

- Get the pulse of operations performance at a single click
- Proactive contingency management delivered through full visibility across the logistics value chain
- Decision Support Systems for organisational speed

SERVICE PROVIDERS

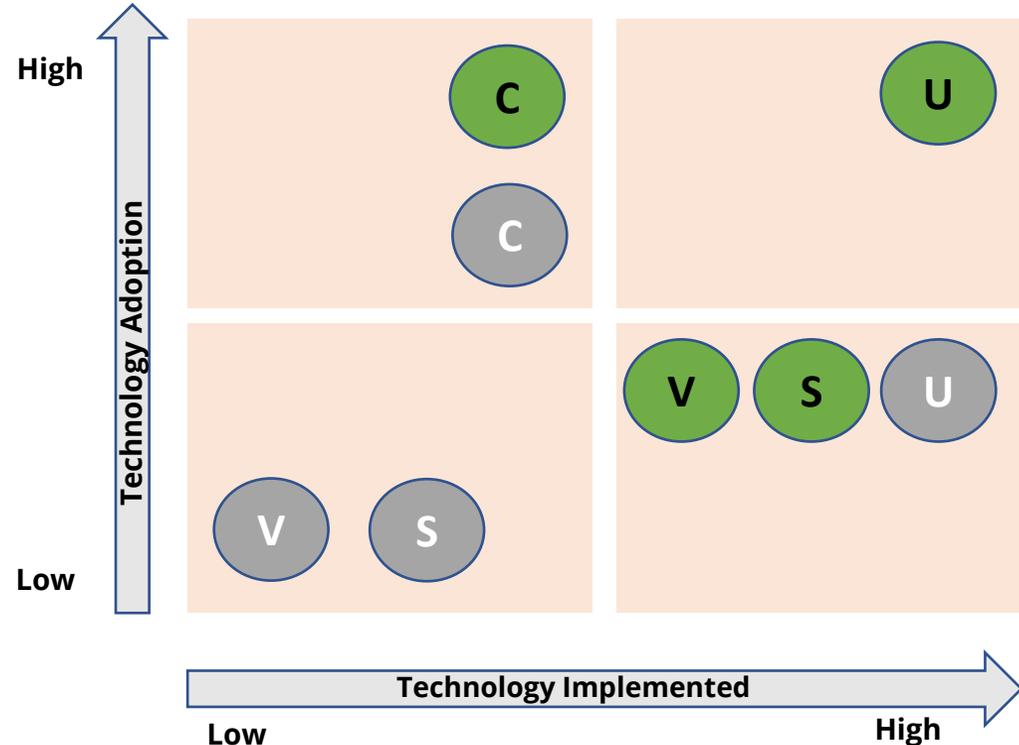
- We support their on boarding onto the platform ensuring higher share of wallet
- Reward and Penalty to create a merit-based system

CUSTOMERS

- Superior customer support through system generated alerts
- Reduced TAT
- Proactive issue resolution

Calibrated Top Down Approach with buy-in at CTO and User level

Technology Implementation/Adoption Matrix for our Client



Vendor
 Supplier
 User
 Customer

Before
 After

ACHIEVEMENT: 85-90 % of intended reach. 15% difference due to skill set issues in shop floor users and vendors

IMPLEMENTATION CHALLENGES

Educate the customer: Shop Floor Buyin



We offer best-practice driven solutions through our subject expertise but we need to run a maturity journey for our client as well to adapt the platform and use it to its fullest potential

Data Collation: Unstructured Data



We experienced very peculiar issue of no unique SKU CODE in their ERP but only description. The SKU was then to be handled in multiple grades and multiple pack-sizes which made the SKU master preparation very challenging. We resolved it through a multi field SKU CODE which accommodated the grade as well. The system was customized to accommodate multiple Pack sizes.

Intermittent Scope Creep



The systems at the plant were manual but were being followed for a long period which created a desire to exactly replicate physical with digital which lead to scope changes with respect to process work flows

Adoption at Service Provider level



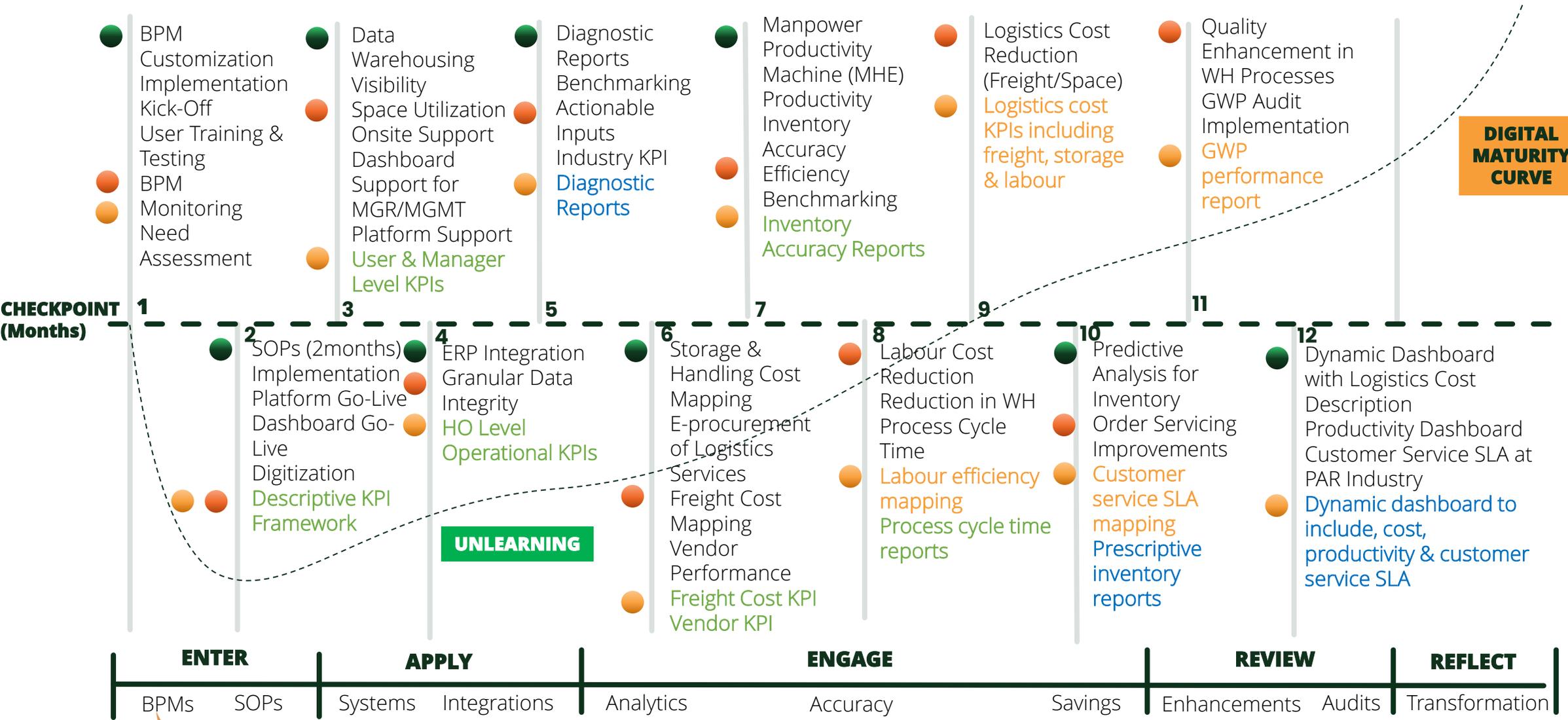
Logistics value chain always has a dependence on external stakeholders to ensure visibility and traceability. We needed to educate the vendors of the benefits they would accrue by boarding the platform such as timely payments, reward and recognition and higher share of wallet.

DIGITAL JOURNEY MAP

Aetos DigiLog

DESCRIPTIVE ANALYTICS
 PRESCRIPTIVE ANALYTICS
 PREDICTIVE ANALYTICS

SYSTEM ACTIVITY
 SME INTERVENTION
 REPORTING CHECKPOINTS



INCREMENTAL STEPS

PREDICTIVE MODELLING

As we live in a highly volatile demand environment, it is imperative that we make our clients proactive. We intend to deliver inventory analysis models and transportation demand models to drive very efficient and low-cost operations.



ACCURATE ACTIONABLE INSIGHTS

MSMEs rely on heuristics for operational decision making & analytics are reserved for board rooms. We deploy experts to monitor & deliver the right metric to the right user. We then ensure that only actionable inputs are absorbed which can deliver results in the short to medium term



CUSTOMISABLE & AGNOSTIC

We have worked extensively for FMCG, Automotive, Engineering, FMCD, Chemicals, QSR and varied industry verticals. We have designed our platform to cover 80% of common activities and only 20% through customizations which allows us to service multiple clients in varied industries.



NETWORK BENEFITS

Today our client's procurement is constrained by availability of vendors who can deliver at the right time and cost. We will enable our clients to leverage our expanded vendor list and attract national level logistics players that are cost efficient and can drive customer satisfaction.

Thank you