



Executive Summary

Project:

Benchmark the best practices & then Standardize the Freight bill pay system across Cummins India Entities

Company:

Cummins India Limited, leading manufacturer of Power Generator & diesel engines is a 51% subsidiary of Cummins Inc. USA & is one of the eight legal entities of the Cummins Group in India. Recently, after an Internal Audit, Cummins SCM ABO found out that there were some cases where duplicity of the Freight bill was being observed. Moreover, they want to centralize the whole Freight bill process at Cummins ABO(Corporate). So, Cummins assigned a project to gain the overall visibility across all the main Cummins India unit & understand the improvement opportunities in the billing process across all Cummins India Plant.

Key Expectations:

- Benchmark and share best practices on billing Process across entities
- Understand Level of Oracle Usage Vs Manual Intervention
- Establish Common lens to view Billing Process
- Identify gaps in the process and then develop the list of improvements
- Ensure that all the entities are in line with the current Cummins policy and procedures

Analysis:

- Studied & Benchmarked the best practices using PUGH Analysis & suggested the best ways to mitigate the chances of error in the process & to improve the overall turnaround time across all Cummins India Plants.
- Proposed a centrally integrated Freight Bill pay model which will directly reduce the manual intervention & will be in compliance with all the Cummins policies & procedures
- Presented an automated Freight bill pay model which will reduce the supply chain cost by approx. 15% across Cummins 16 entities

Key Suggestions given to Company:

- Share the Best Practices with BUs and conduct knowledge sharing sessions on best practices through Fortnightly meetings with FE

- A lot of manual intervention is being observed, IT Integration in Bill verifying Process will not only reduce the work load but will also mitigate the chances of Error. (e.g. Company should think about implementing Oracle TMS)
- Check the feasibility of supplier portal.
- A Gap of 8 – 15 Days was observed between the period when Invoicing was done & GRR (Final approval of Invoice) was processed, so we can reduce this gap directly by optimizing the processes which will lead to lean operations.