Unblocking Orders & Unlocking Value

Virtual Operations' Intelligent Automation order processing solution has delivered dramatic OTIF performance improvement for a global FMCG client

Virtual Operations has delivered an Intelligent Automation Sales Order Management solution for our largest FMCG client. Our strategic assessment approach identified a critical business need for an automated order block management process, to fulfil customer deliveries on time, in full. The client team were failing to meet SLAs for the volume of order blocks received, relying on a highly manual, inefficient process resulting in low productivity, revenue loss and stakeholder frustration. The automated solution incorporates end-to-end identification through to resolution of order blocks, dramatically reducing cycle time, improving order fulfilment performance, customer and employee satisfaction, and returning 5 FTEs' worth of productivity back to the business, to focus on elimination of data errors at source.

Identifying a core opportunity within a transformational automation program

The project was part of a transformational program of work that we led for our client, with a strategic objective to transform & reduce operating costs within their Customer Service Operations (CSO) function. A 30-40% productivity target had been set; however client analysis prior to our engagement yielded only around 5% improvement opportunity. One of the highest-impact business problems we helped to identify, in terms of time, effort and revenue loss, was an unacceptably high level of blocked order items in sales orders received. The client team were failing to meet turnaround times to investigate and resolve the sources of the blocks in time for the daily cut off, after which the orders would be shipped to customers with missing items. This issue impacted all geographies across Western Europe.

Order Block Management & impact on OTIF

In a highly manual, lengthy process, the Order Management team were required to run multiple reports to identify order blocks, then manually step through each blocked order, performing root cause analysis by checking order content and master data records, to determine the source of the block. Multiple email communications also had to be managed to other teams and approvers, to flag and amend errors, before the blocks could finally be cleared one at a time.

Order block root cause analysis and resolution consumed the majority of a time-critical, 45-minute daily cycle window, impacting team members' ability to perform other key order management tasks within the same transactional period.
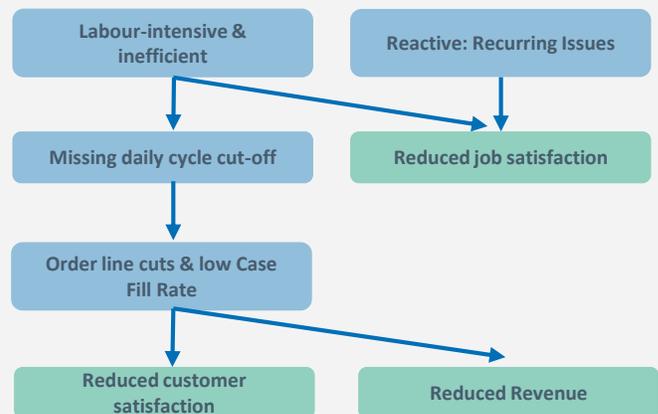
Understanding the art of the possible: automated root cause analysis

We established that the main causal factors within the client's control were master data errors, lack of synchronisation between systems, and lack of test order functionality. These allowed a number of avoidable exceptions to enter the order system:

- Invalid item codes entered
- Invalid Item codes/sales area combinations
- Inaccurate item lifecycle status
- Invalid units of measure

Most RPA solutions seek only to execute very simple, repetitive tasks, freeing up human resource for more cognitive activities, such as root cause analysis; however in this case, the diagnostic tasks were themselves the most significant drain on resource.
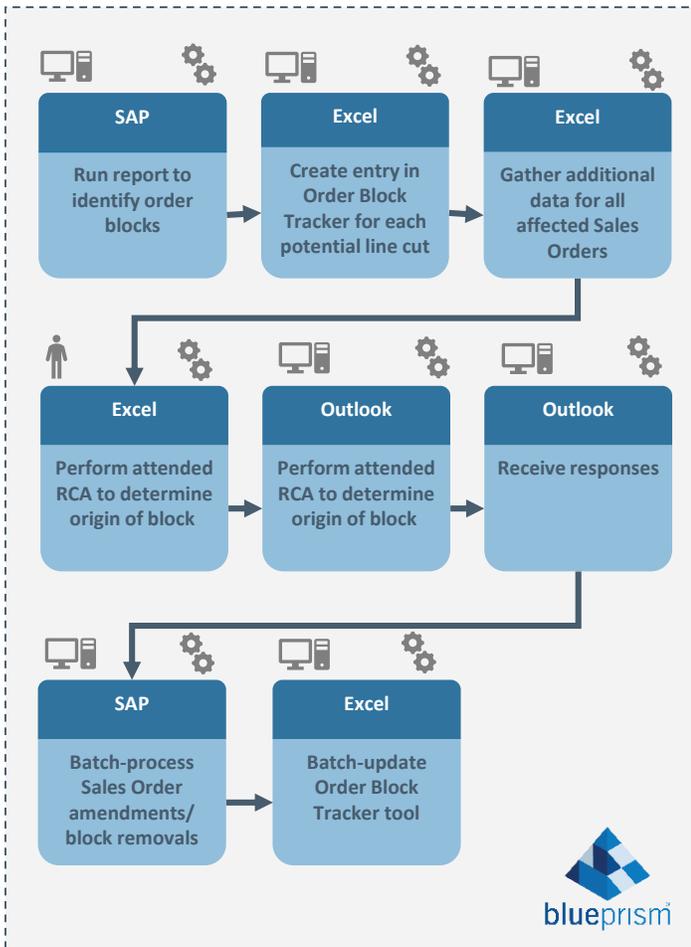
Previous understanding of potential automation opportunities was limited to running order block identification reports, and block removal once source of issues had been understood. However, we recognised that the analysis process could be made sufficiently rules-based to facilitate automation.

Implementing an E2E automated solution

We designed and implemented an RPA solution using Blue Prism's Digital Workforce, to help expedite the process whilst reducing human-related risk.

The solution automates the end-to-end execution of:

- ➢ Running of reports and identification of order blocks
- ➢ Data entry activities e.g. tracker updates
- ➢ Root cause analysis
- ➢ Recording of findings
- ➢ Routing actions to decision-makers & approvers, and collating responses
- ➢ Remedial actions (order amendments)
- ➢ Removal of order blocks
- ➢ Communication to Customer-facing and Master Data teams

SAP	Excel	Excel
Run report to identify order blocks	Create entry in Order Block Tracker for each potential line cut	Gather additional data for all affected Sales Orders

Excel	Outlook	Outlook
Perform attended RCA to determine origin of block	Perform attended RCA to determine origin of block	Receive responses

SAP	Excel
Batch-process Sales Order amendments/ block removals	Batch-update Order Block Tracker tool

blueprism

Benefits

Reduced cycle time, with 100% identification and root cause analysis of all order blocks within the critical time window

$000,000s per month benefits in increased order fulfilment performance

Improved Retail Customer satisfaction

Significant productivity improvements, with 5 FTEs' worth of hours back to the business

Quality enhancements; exception resolution moved further upstream to Master Data & Sales; increased visibility of sources of error, together with freed-up human resource

In turn, progressively fewer master data errors occur over time, allowing more effort to be invested in order blocks originating from Customers

Strategic approach for opportunity identification

Our strategic opportunity analysis approach moved emphasis within the wider transformation program away from solely productivity-based benefits, although this remained a core improvement objective; this project also targeted order fulfilment (via Case Fill Rate) and customer satisfaction, paving the way for a similar approach across the rest of the program.

We also ensured that the focus was shifted to a more Process Excellence-centric mindset, looking upstream to the sources of problems and effort expenditure, avoiding typical application of automated workarounds or quick fixes. The new, more efficient order block RCA solution has enabled investment of human effort into additional initiatives to further drive down order exceptions, such as test order simulations (upstream) and claims management (downstream). By employing an E2E and cross-functional approach in this way to iterate the client's automation strategy, we have mitigated the risk that deployed solutions are rendered less effective or made redundant in future.

VIRTUAL OPERATIONS