



eXensys Micro Vertical Solution

Micro-Vertical – Edible Oils

Agenda

Industry Overview

Industry Characteristics

Key Processes 'n' Challenges

eXensys Best Practices



Industry Overview

Micro-Vertical – Edible Oils

The edible oil industry is now one of the leading sustainer's of the positive annual economic growth rates. The raw material required for edible oil processing are sunflower, cotton seed, soybean, oil palm. The other available oilseeds are sesame, peanuts, and oil fractions of crop plants.

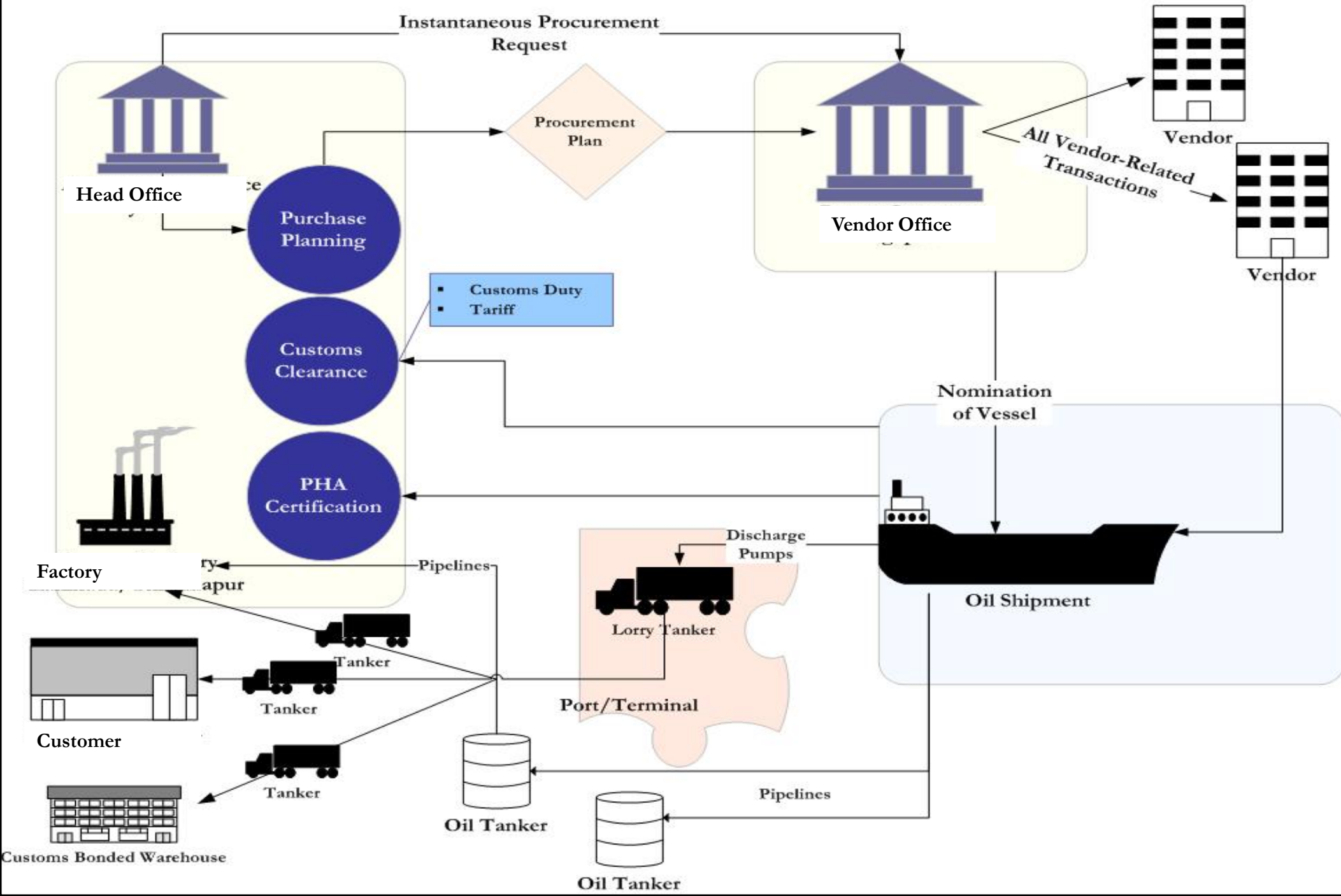
The major product of edible oil is processing vegetable cooking oil which is used for frying. Generally, the crude oil is purchased in large scale, refined and then sold either as bulk or packed items.

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Industry Characteristics

Micro-Vertical – Edible Oils



Key Processes 'n' Challenges

Micro-Vertical – Edible Oils

Key Processes

- Forecasting of bulk oil production
- Calculation of previous day production through dip measurement
- Segregation of good / damaged packed oil stock
- Repacking of damaged stock
- Daily information of stock with FTD (For the Day), MTD (Month till Date) & YTD (Year till Date)
- Job work in and job work out production of bulk
- Drop shipment of packing materials to converter directly from vendor
- Maintenance of consolidated closing stock for all depots / factories

Challenges\Pain Areas

- High volume, thin margin business. So the challenge lies in controlling the costs and reducing wastages.
- Non efficient management of inventory overheads
- Availability of vessel is critical for planning the cargo arrival
- High manufacturing costs
- Non Efficient control at Depot level
- Poor Customer Receipt management
- Non-Stringent accounting of inventory and receivables

eXensys Best Practices

Micro-Vertical – Edible Oils

S.No	Pain Areas	Why do companies fail?	eXensys Best Practice
1	Business line wise tracking of sales	<ul style="list-style-type: none"> ➤ Poor Order Management ➤ Single Order Consisting of multiple specifications 	<ul style="list-style-type: none"> ✓ Sales orders specific to business lines ✓ Automatic creation of sales orders from master contract ✓ Item Specification to sales order
2	Maintenance of oil inventory	<ul style="list-style-type: none"> ➤ Difficult to handle inventory as multiple ways of packaging is carried out ➤ Maintenance of WIP of crude oils in refinery plants 	<ul style="list-style-type: none"> ✓ Maintenance of import and domestic raw material separately, SKU creation for small packs ✓ Maintenance of bonded oil separately ✓ Maintenance of WIP of crude oil separately ✓ Maintenance of depot wise consolidated stock
3	Reduction in production lead time	<ul style="list-style-type: none"> ➤ No input output control ➤ Improper management of orders ➤ No control on shop activities 	<ul style="list-style-type: none"> ✓ Automatic lead time calculation based on routing ✓ Capacity calculation based on finite or infinite capacity ✓ Production order rescheduling

