![ahana – creating possibilities]

LEADING TYRE MANUFACTURER ACHIEVES OVER 99% INVENTORY ACCURACY THROUGH RPA AND SAP INTEGRATION BY AHANA

Managing inventory and procurement efficiently is important for large manufacturing companies that rely on SAP ERP systems. However, manual processes for updating stock, tracking inventory, and handling procurement tasks often lead to errors and delays. These inefficiencies can disrupt supply chains, increase operational costs, and hinder accurate stock management.

To address these issues, a client sought to leverage Robotic Process Automation (RPA) to be integrated with their SAP platform. Working with Ahana, they aimed to automate its inventory management and procurement workflows, reducing manual effort and improving data accuracy.

Client Profile

Our client is a leading Indian tyre manufacturer, ranking among the top 25 globally. For over four decades, they have pioneered innovation and quality in the tyre industry. Their groundbreaking technologies and products serve a wide range of automotive segments.

Challenge

The client relied on SAP ERP for managing their inventory and procurement operations. However, extensive manual work in data entry and vendor management created the following challenges:

- **Inaccurate Inventory Levels**: Delays in updating stock often resulted in inaccurate inventory data, causing stockouts or overstock situations.

- **Procurement Delays**: Manually processing purchase orders slowed down procurement cycles, leading to supply chain disruptions.

- **Increased Operational Costs**: Emergency restocking and over-purchasing increased overall inventory management costs.

To address these issues, they sought to automate their inventory and procurement workflows, aiming to reduce manual intervention, improve accuracy, and drive cost efficiencies.

Ahana's Solution

Our team designed and implemented an RPA-based solution integrated with the company's SAP system to automate key aspects of inventory and procurement management. The automation process was structured in the following steps:

1) Real-Time Inventory Monitoring: The RPA bot continuously monitored stock levels within SAP, comparing each item's quantity against pre-defined reorder points. When an item reached the reorder threshold, the bot flagged it for procurement, ensuring real-time tracking of stock availability.

2) Automated Procurement Requests: When inventory levels required replenishment, the bot generated a purchase requisition (PR) in SAP, including relevant item details, required quantities, delivery timelines, and preferred vendor information.

3) Approval Workflow: The RPA bot routed the PR through the appropriate approval workflow in SAP, automatically notifying the procurement manager and relevant approvers for review. Upon approval, the process advanced seamlessly to purchase order creation.

4) Automated Purchase Order (PO) Creation: Once the PR received approval, the bot generated a purchase order (PO) in SAP using details from the PR. The PO was then sent to the vendor either via email or through the vendor portal, eliminating manual processing.

5) Vendor Management and Delivery Tracking: The bot engaged with vendors to confirm orders, track shipping details, and update expected delivery timelines within SAP, providing real-time visibility of incoming inventory.

6) Automated Receiving and Stock Updates: Upon receiving goods, the bot processed the goods receipt note, updating stock levels in SAP to reflect the received quantities. Any discrepancies were flagged for manual review, enhancing accuracy in inventory records.

7) Automated Reporting & Alerts: The RPA bot produces real-time reports on inventory and procurement status, providing details such as stock levels, outstanding purchase orders, and lead times. Additionally, it triggers alerts for critical scenarios, including:

- Low stock levels approaching critical thresholds
- Delays in vendor deliveries affecting supply timelines
- Identification of stock nearing expiration or at risk of obsolescence

This proactive alert system ensures that the procurement team can quickly address urgent issues, maintaining smooth inventory flow and avoiding disruptions.
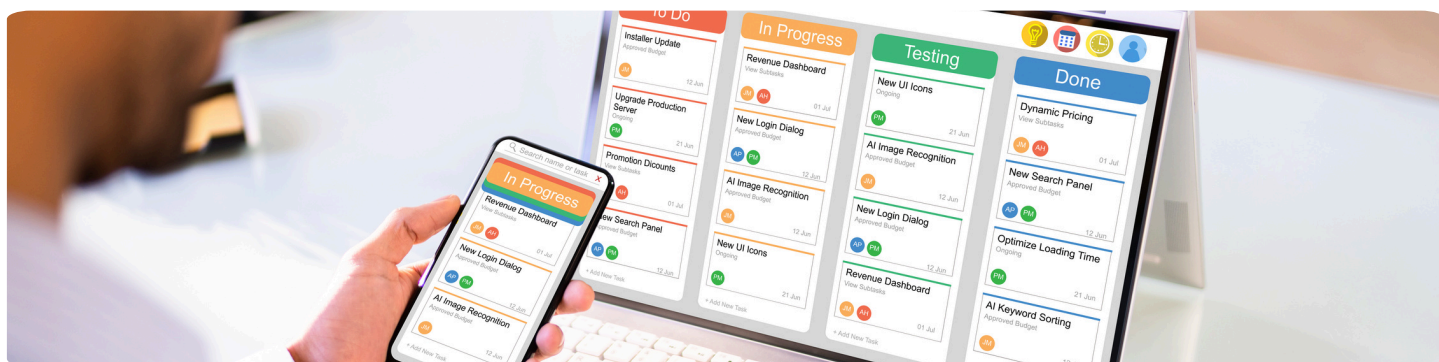
The Impact

Through this RPA-driven SAP integration, the client achieved substantial improvements in its inventory and procurement management:

KPI	Before Automation	After Automation	Result
Manual Effort on Data Entry	2 hours per transaction	10-15 minutes per transaction	80% reduction
Purchase Order Approval Time	2 days	4-6 hours	75% reduction
Inventory Accuracy	85%	>99%	16% increase
Operational Costs in Inventory	High	25-30% cost savings	25-30% savings
Average Procurement Lead Time	Standard	30-40% faster	30-40% improvement
Data Entry Errors	Frequent	Reduced by 95%	95% reduction

Conclusion

Adopting RPA in inventory management and procurement reflects the growing shift in the manufacturing industry toward automated solutions that address inefficiencies and operational bottlenecks. Leveraging RPA in such essential processes allows organizations to minimize errors, improve response times, and optimize resource allocation. As more companies look to enhance their operational agility and meet evolving market demands, integrating RPA with existing systems like SAP offers a promising pathway to sustainable growth and competitive advantage.

About Ahana Systems and Solutions

Ahana Systems & Solutions is a leading IT Infrastructure Management Services and Digital Transformation company based in Bengaluru, India. Our expertise extends to a wide range of solutions, including Cloud, RPA, DB & EDW, BI & Analytics, and Application Development. Our 100+ roster of clients relies on us for our deep domain expertise, skilled resource base, and proven partnership with the best technology providers.

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