

Digital Transformation enables Family Namkeen enhance efficiency and reduce costs



Business Overview

Family Namkeen, a packaged food industry brand from Bakers Agri Foods Pvt. Ltd., has consistently increased its popularity and customer base since inception almost 40 years ago. The company has been increasing its primary product line of premium variety savory snacks (namkeen), cookies, rusk and potato chips. The business has wide presence in the 6 most populous states of India. Rusks contribute about 45% to the revenue and Nameen's revenue share is 35%. The business has brown well, but the growth came with its share of challenges. The operational systems would get stretched to their limits, and at times to breakdowns.

Manual, inefficient **production planning** resulted in inaccurate material procurement, leading to either excessive inventory levels or critical item shortages. This imbalance not only increased costs but also disrupted production schedules.

The **quality control** system was manual, and at times resulted in product quality being compromised. The finished goods quality at times turned out to be inconsistent, resulting in difficulties in maintaining compliance and delays.

Absence of a robust **transport management** system made it difficult to plan and optimize transportation routes, thereby inflating costs and reducing operational efficiencies due to the inability to systemize floor space based on volume metrics.

Lack of an effective **traceability system** often made it nearly impossible to track and manage product lots, or ensure a timely product recall. Lot numbers were not being consistently used in manufacturing and inventory management.

Manual **reporting** methods severely hampered data analysis and timely decision-making. Company's ability to identify trends, address inefficiencies, and drive improvements was severely limited. All these challenges precipitated the need for a comprehensive, integrated solution to streamline operations and enhance overall operational efficiencies.

“Alletec has a comprehensive view in giving solutions. Providing long term solutions to client's actual needs and pain areas. Excellent hand holding process throughout our transformation journey. Alletec has one of the best teams as they played the role of true consultants for client service.

It was our second implementation of an ERP; our only regret is why didn't we choose Alletec before.”

Mr. Sidhartha Agarwal, Managing Director, Bakers' Agrifoods Pvt Ltd.

The Solution

Alletec carried out a business analysis and it became apparent the business needed systems far beyond the standard accounting, or ERP systems. Based on the specifics of the customer industry, Alletec recommended deployment of a solution based on the Microsoft Dynamics 365 Business Central, and the Aptean Food & Beverages solution – both built on the Microsoft stack. The overall solution stack for Family Namkeen comprises of the following:



Dynamics 365 Business Central



Aptean Food & Beverages



Power Apps



Power BI



Dataverse



Azure

Key Business Impact Features & Functionality



1. Production Planning

Dynamics Business Central's Production Planning capabilities were leveraged to create accurate Material Requirements Planning (MRP) and Master Production Scheduling (MPS) on a weekly basis. Improved production planning enabled refined procurement of raw and packing materials and optimized production orders, reducing unnecessary inventory levels.



2. Quality management

Quality management solution built on PowerApps is now used for digital quality control. This ensures standardized and streamlined quality control processes. Quality checks are performed on raw and packing materials upon receipt, as well as on the post-production and pre-sales dispatches. The checks have been made mandatory.



3. Transportation

A dedicated Transport functionality has been integrated into the ERP system, allowing efficient planning of transportation, optimized route management, and maximizing truck space utilization.



4. Dimensions for Insights

Dimensions in Dynamics Business Central are now providing better insights into production trends, costs, and profitability for each product category (cookies, rusk, and namkeen).



5. Lot number and Traceability

Lot number tracking and traceability features have been implemented within Dynamics 365 Business Central to record non-conformances, perform forward and backward traceability, and establish an effective recall plan process, in case ever needed.



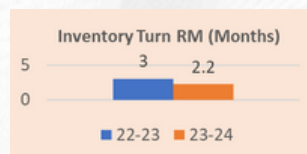
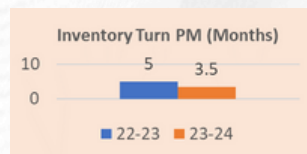
6. Reporting

Power BI is being used to create real-time data reports, interactive dashboards, and analytics. These provide actionable insights for improved decision-making.

Business Benefits

- ✓ The new Quality management system has reduced the quality issue reporting time by **over 50%**
- ✓ Ability to trace linkage of finished goods with raw material through item tracking and lot management has hugely increased compliance upkeep as per FSSAI norms, specifically for the case of Quality issues and recalls from the market
- ✓ Direct cost saving of ~ **INR 600,000 annually** by adoption of cloud infrastructure
- ✓ While Sales have gone up, improvements in production planning and inventory management have resulted in improvement of **8 to 10%** in the inventory turns of top 5 raw materials, and by **22 to 24%** for the top 5 packaging materials
- ✓ Transportation system has enabled 3% cost savings through optimized route planning and improved truck space utilization
- ✓ Time taken to make the daily and weekly sales reports reduced from ~ **60 to ~ 10 min**
- ✓ Reduced delivery times have resulted in enhanced customer satisfaction

Increased compliance upkeep as per FSSAI norms, specifically for the case of Quality issues and recalls from the market.



Reduction in Inventory turn of Top 5 Packaging materials by 22-24%, Even though QTY and sales have grown



Reduction in inventory turn of Top 5 Raw Materials by 8-10%, Even though certain items are procured seasonally

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