Guocera Case Study

Guocera Holdings Sdn Bhd is wholly owned subsidiary of Hong Leong Industries Berhad (HLI), a public listed company on the Main Board of Bursa Malaysia. Guocera Tiles Division comprises a group of 7 companies involved solely on manufacturing, research, marketing and distribution of ceramic tiles. They are considered Malaysia's single largest exporter of ceramic tiles and one of the most reputable brands in the marketplace.

This project was targeted at the distribution division to help Guocera automate the process of delivery of goods to suppliers via the appointed transporters. The delays or processing the Delivery Notes (DN's) was a major factor in delays in confirming the status of delivery to suppliers, stock level updating and most importantly, starting of the process of invoicing the suppliers for goods delivered.
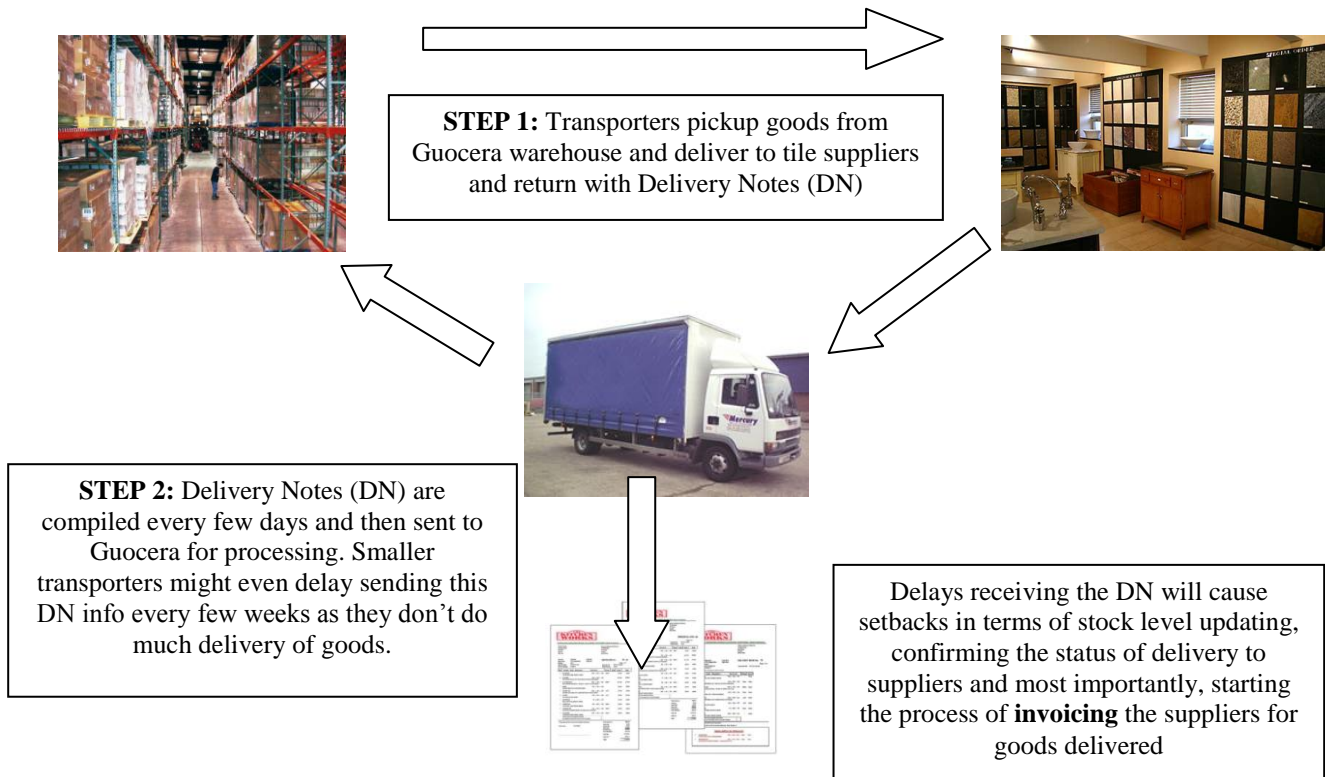
Before we look at the process improvement, we shall discuss the current process to understand the bottlenecks;

The Current Process:

When goods are delivered from each of the appointed transporters, they issue Delivery Notes (DN) which are then physically sent to Guocera office every few weeks to be processed and payments to be made.

As this involved the delivery of goods to the suppliers, Guocera is not able to start the Invoicing process until the DN's are received from the transporters. This time delay causes a few setbacks in terms of also stock level updating, confirming the status of delivery to suppliers and most importantly, starting the process of invoicing the suppliers for goods delivered.

Following is a detailed diagram showing the process flow currently in place;

STEP 1: Transporters pickup goods from Guocera warehouse and deliver to tile suppliers and return with Delivery Notes (DN)

STEP 2: Delivery Notes (DN) are compiled every few days and then sent to Guocera for processing. Smaller transporters might even delay sending this DN info every few weeks as they don't do much delivery of goods.

Delays receiving the DN will cause setbacks in terms of stock level updating, confirming the status of delivery to suppliers and most importantly, starting the process of **invoicing** the suppliers for goods delivered

Business Process improvement

Solutions Used: Konica Minolta Multi-function devices, FingerTips Document Management System, FingerTips Zone OCR, FingerTips DataGrabber and FingerTips Web Portal

With the need to speed up the processing of the Delivery Notes (DN), Guocera approached Konica Minolta to look at a solution which could be used to automate the process. The requirements included;

1. Ability to scan and upload the DN on a daily basis
2. Automated processing of the DNs at Guocera office to automate the data extraction and matching against the Guocera database
3. Auto-archival of all the DNs according to the transporters and further categorized by Year and Month.
4. Allow the transporters access to their data via a web portal.

Konica Minolta proposed their powerful MFP device along with FingerTips Document Management System for archival and FingerTips Zone OCR and Data Grabber modules to automate the importing and processing of the information.

With the new process flow, the Transporters now have the ability to scan and upload the DN's on a daily basis to the FTP location. This is achieved via the FTP function on the Konica Minolta MFP's which allows for direct scanning and uploading to a remote location.

Once uploaded, the documents are loaded and processed by FingerTips Zone OCR module which intelligently extracts the data from the Delivery Notes and passes it on the FingerTips Data Grabber which does a database lookup and compares this data with Guocera's corporate database to ensure the data matches and also to then populate all the indexes.

Once the data matching is completed, the images and all meta-data is then auto-archived into FingerTips Document Management System according to specified filing method. This document repository is also a Web Portal which allows users to view and compare this data for their day to day operations.

In an effort to also allow the transporters to view their DN's and status, Guocera has also allowed the transporters access to FingerTips Web Portal to login online to check for certain transaction pertaining to the order via a search engine.

The full process is as shown below;
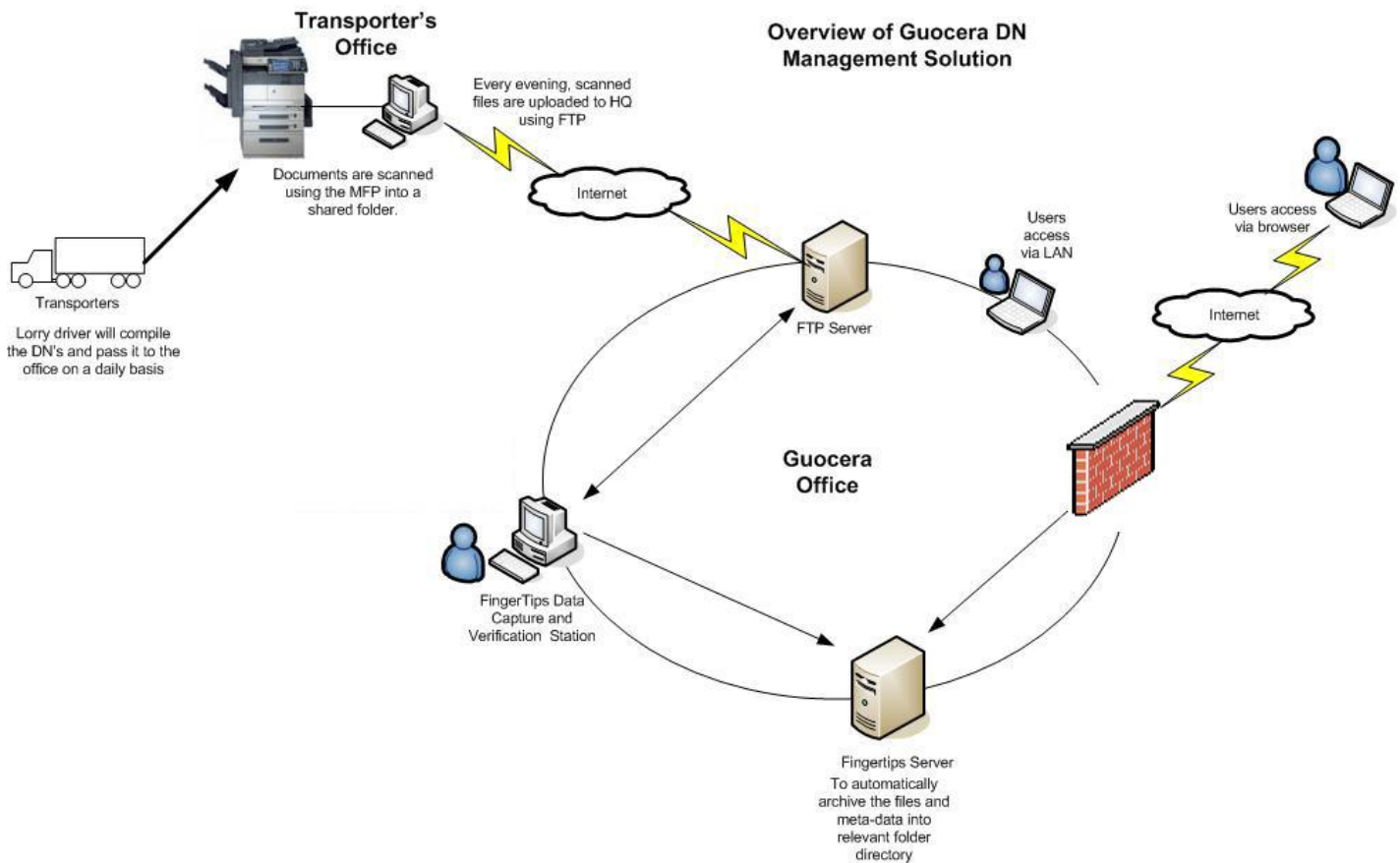
Conclusion

With the process in place, Guocera has seen a great improvement in the turn-around time for the processing of the Delivery Notes (DN's) from weeks to a matter of 1 to 2 days. This has greatly improved the stock control as well as tracking the transporters with their delivery timings. It has also allowed Guocera to issue timely invoices to the suppliers and track errors and disparities as the system is checking against Guocera internal database. It has also allowed for the management of hard-copies of the DN's and also the ability to share this information internally and with the relevant external parties.

Overall, this exercise has greatly improved the process flow and handling of a critical part of the Guocera logistic function which involves timely delivery of goods to suppliers as well as accountability of the transporters and also the invoicing process.

With the success of this project, Guocera is now looking at options of further automating the process and pushing the processing of DN's to the warehouses to process and thus decentralize the processing and also get the warehouse further involved with the process to ensure efficiency. This is currently being implemented and we expect another level of efficiency from this process with our solutions.