

Karnataka
engineering company
case study essay
sample



**ASSIGN
BUSTER**

We would like to express my deep and sincere gratitude to Professor Dr T A S Vijayaraghavan.

His guidance & teaching have given us the knowledge to not only understanding the concepts of SCM , But also how to implement those into practice. We have tried to use his teachings in this work. His in-depth knowledge, sense of humor, patience and endeavour to teach has been invaluable for us for which we are grateful and honored.

We are also thankful to our colleagues, who have each contributed in their own way to the progression of this case study.

Overview of Karnataka Engineering Company (KEC)

- > Company entered the 2 -Wheeler industry in 1981 with Moped production.
- > In 1983 the scooter production.
- > The manufacturing plant is in Raichur.
- > KEC has 19 branches spread all over India.
- > Operating expenses of a branch is estimated to be Rs 17000 per month.
- > Minimum throughput that would justify setting up of a branch in any state would be Rs 4. 25 Lakh per month . This translate into 78 Mopeds or 33 Scooters per month or any other combination.
- > Marketing office is located in almost every state.

> Transportation of Mopeds & scooters are by specially adapted trucks with a capacity of either 80 Mopeds or 50 scooters or combination of both. This primary transportation is organized by the central marketing officer of Raichur.

Distribution in Andhra Pradesh

- > There are two branch warehouses at Adoni & Mahbubnager.
- > These branches location were selected , as these were the first major towns in AP
- > The marketing office is situated in Hyderabad.
- > Hyderabad office collates the orders & issues instruction to Adoni & Mahbubnagar for secondary despatches.

Some Figures & Data..

- > Monthly avg. sale in Jan-Jul 1988 in Andhra Pradesh was Mopeds 1925 & Scooters 288..
- > AP contribution in Jan-Jul 1988 is around 5. 3 % of KEC's total Moped sale & 3. 6% of total scooters sales.
- > Sale in AP during this period is around 14. 33 Million PA.
- > One scooter was taken as equivalent to 1. 6 moped units.
- > CST consider is 4%.

Questions for Discussion.

At what volume is the opening of a warehouse in a state justified primarily on the grounds of the 4% CST for transactions across the states.

How many warehouses do you think are required for distribution of KEC's product in AP ? What would be the candidate locations of the warehouses be? What would be the criteria on which to select the candidates?

Determine the optimal selection of the warehouses & the best allocation of the demand points of the selected warehouses?

What are the best choices for shipment size from warehouses to demand points ? Given size , what routing would you recommend for a typical dispatch run?

Analysis

By using the Logware software we will first check how many warehouses are optimal. & what will be the best allocation to each warehouse.

The Input for Logware will be

1. The coordinates in (X, Y) of the Places in Andhra Pradesh .
2. Moped off take & scooter offtake equivalent of Moped offtake (1. 6 times)
3. Rate Rs per km.