

## DICV Overhauls Warehouse in 360-degree Modernization Project

- Warehouse already handles one million transactions/year, aims for further efficiency increases
- New kitting concept and sequencing operation efficiently moves parts to production line, supports smooth BSVI ramp up
- SAP-based warehouse management system to be introduced in October
- **Mr. Muthu Maruthachalam C, VP of Supplier Management & Logistics Trucks Asia India: “In the last year, we have completely overhauled our warehouse from the ground up. We took a 360degree approach to modernization by introducing more efficient processes, automation and digitalization. Our smooth BSVI ramp up is testament to the success of this ongoing project.”**

Chennai – Daimler India Commercial Vehicles (DICV) today announced the modernization of its 30,000 square meter Domestic Parts Warehouse in Oragadam which employs over 350 people. The warehouse already handles more than one million transactions a year – about two transactions every single minute - and aims to improve efficiency further through the modernization project.

**Mr. Muthu Maruthachalam C, VP of Supplier Management & Logistics Trucks Asia India** said, “In the last year, we have completely overhauled our warehouse from the ground up. We took a 360-degree approach to modernization by introducing more efficient processes, automation and digitalization. Our smooth BSVI ramp up is testament to the success of this ongoing project.”

DICV’s Supply Chain and Logistics function is constantly searching for better ways to synchronize its processes and systems to match product upgrades and volume targets. One such initiative was the introduction of a new kitting concept and internal sequencing operation that helped the warehouse feed parts to the production line in a more efficient manner. This was critical for successful ramp up of BSVI vehicle production, especially during the parts supply challenges brought about by recent lockdowns.

The company has also invested in a SAP-based WMS (Warehouse Management System) that will go live in October. This system will further improve stock accuracy and traceability, while reducing obsolescence by ensuring FIFO/shelf life monitoring. The upgraded WMS will also enable tracking of parts within the warehouse, including pre-defined storage

locations, storage levels and optimization of material flow using advanced put-away and picking techniques.

As a next step, DICV is planning to introduce new infrastructure and equipment such as high bay racks and VNA (Very Narrow Aisle) forklifts that optimize usage of the warehouse's available space.

DICV's assembly line follows a fish bone concept that routes two thirds of material just-in-time and enables direct delivery on the line. The company will soon begin 'just-in-sequence' based supply with two pilot suppliers for better space and inventory optimization.

With around 400 Indian suppliers and over 125 million parts exported worldwide, DICV has proven to be a successful example of the 'Make-in-India' concept. Considering the volume of export parts handled, DICV also recently moved its third party logistics warehouse to its Oragadam plant. With two shift operations, the new 2000 square meter Export Parts Warehouse has the capacity to handle more than 3000 pallets of parts, 100 containers and 200 truck movements in a month.

## **About Daimler India Commercial Vehicles**

Daimler India Commercial Vehicles (DICV), a wholly owned subsidiary of Daimler AG, Germany and operating under the umbrella of Daimler Trucks Asia, is a full-fledged commercial vehicle player in the Indian market and the only Daimler entity worldwide with a brand dedicated to its home market: BharatBenz. DICV produces and sells in India above 9 to 55 tons trucks as well as BharatBenz buses, Mercedes-Benz coaches and bus chassis. DICV's state-of-the-art manufacturing plant at Oragadam near Chennai spreads over 400 acres (160 hectares) including a highly modern test track and is home to the company's headquarters, R&D and training operations. With one global quality standard, it also produces for Daimler Trucks' brands of FUSO, Mercedes-Benz and Freightliner. Products and parts are exported to more than 50 markets in the Africa, Asia, Latin America and the Middle East. DICV represents an overall investment of more than INR 5,500 crores.

## **About BharatBenz**

The BharatBenz brand is tailored for the Indian market and its demanding customer requirements by Daimler AG, the world's leading CV manufacturer with a global reach. First unveiled in February 2011, the brand was launched in September 2012 with the introduction of its heavy-duty haulage trucks. The portfolio was expanded with the launch of medium-duty haulage trucks (2013), construction & mining trucks and tractors (2014), and buses (2015). The pan Indian BharatBenz sales and service network of more than 230 touchpoints is being continuously expanded. Within eight years after the market launch, BharatBenz has already produced over 100,000 vehicles – an unprecedented ramp-up in the world's toughest commercial vehicle market.

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