The telecommunications industry in Indonesia had become extremely competitive and dynamic, posing specific challenges for the operators with a requirement to have a clear strategy, effectively executed. XL engaged Renoir in 2007 to help streamline and simplify several key business processes for greater speed, predictability and a lean execution approach. A 3 week assessment was carried out to identify the current state.

The assessment revealed that:

• The Material Requirement Planning (MRP) operations were too reactive to the Network needs
• The Procurement area was too bureaucratic with long SLA for processing purchase requests & orders
• The Logistics division was not organized well enough thus causing many delays in material & equipment deliveries
• The regional Field Operations Maintenance planning was too rigid and the Alarms management not standardized
• The Regions and the Headquarters were lacking proper communication channels and coordination
• Several business processes in place were no longer suitable for XL’s size and not capable of supporting its fast growing Network requirements

During 2007/2008, three projects were carried out, focused on the procurement, logistics, network and distribution processes. The first 24 week project was related to the Supply Chain Group, the second 10 week engagement focused on Regional Operations and the third 18 week program addressed Network Services. A consistent Project structure All three projects followed the same structure:

• A Steering Committee comprised of the Board of Directors to review the projects progress and provide direction.
• Management Action Teams in each relevant department, headed by the Vice Presidents who directly engaged their General Managers in implementing the changes along with the support of Renoir.

“Renoir has been able to identify and help implement several improvements in the respective processes that have significantly helped XL in strengthening its position in the market. We feel that Renoir has significantly contributed to the improved business performance over the last three quarters”

Wim Timmermans
Chief Financial Officer

Key Results

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INDONESIA

XL Axiata, Indonesia
Supply Chain Management

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ANALYSIS

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PROJECT APPROACH

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Supply Chain Group Project

- A new Management Control System was developed to address the main weaknesses: planning and control. This new system was organized into logical groupings to gain clarity and consensus of the overall management of the Procurement & Logistics process. Missing elements were replaced and existing elements were revised for greater effectiveness. The focus was on planning and controlling activities. In addition, leading indicators were regularly reviewed to allow management to control performance and identify problem root causes.
- A new Bill Of Materials (BOM) system was developed between Engineering and Material Requirement Planning in order to standardize and simplify material templates to improve coordination and speed up the process.
- The Purchase Order (PO) process was streamlined, removing unnecessary steps, and installing challenging SLA based on materials criticality.
- Finally, a new Vendors and Transporters monitoring system was installed in the Logistic division to regularly monitor performance and improve on-time deliveries.

Regional Operations Project

- Standard Operating Procedures for Preventive & Corrective Maintenance were developed along with XL engineers to ensure maximum efficiency in Maintenance planning and execution and also to formalize the Alarm priority system and improve the team response time.
- In parallel, a Manpower Calculator Tool was developed and installed to clearly capture the current workload and estimate future manpower requirements.

Network Services

The end-to-end process to integrate a new telecommunications site was reviewed to identify and remove bottlenecks in order to better support the growing Network Integration targets. The first step was to improve the Site Acquisition process to create a “land Bank” for the Network Development to use. The second step was to realign priorities between Planning, Development and Construction to properly manage the throughput.

The project team also focused on the Network Operations Center (NOC) to reduce the number of Customer Complaints and ensure maximum support for Network Development. In addition, a new Network Coordination Group was created to improve regional alignment and coordination as well as to properly roll out and implement the Maintenance & Alarms Guidelines developed in the previous project.