

Case Study

A long-standing Indirect Tax client

Service(s) offered: **Project Crashing**

Sector/Industry: **Logistics**



Efficient Project Crashing Through Six Sigma Principles

Overview

ABC, a long-standing client of Nexdigm's IDT practice, approached us with a request to significantly reduce the cost of IDT services. However, Nexdigm was already operating on minimal profit margins, making further reductions challenging without affecting sustainability.

Given our enduring partnership, turning them down wasn't an option—but neither was compromising financial viability. The challenge was to accelerate critical tasks while reducing costs without sacrificing quality. To achieve this, we implemented a Six Sigma project crashing approach, ensuring efficiency without financial strain.

Challenges

- Staffing lead times exceeded 2 weeks.
- High dependency on senior team members resulted in reduced efficiency.
- Low throughput per employee, creating bottlenecks during peak periods.

Solutions

To address the volume-pressure, system constraints, and cost considerations, a multi-pronged solution was implemented:

Case Highlights

- Reduced staffing lead time of 2+ weeks
- Saved INR 1 million on cost to company while maintaining profit percentage.
- Increased practice profitability by 3%.

Process Diagnosis and Mapping

A detailed review of the existing workflow was conducted to identify inefficiencies. Each process step was mapped against the required skill sets and available resources. Historical data was analyzed to understand average utilization, associate bandwidth, and designation mix.

Collaborative Brainstorming

Workshops with cross-functional teams helped uncover bottlenecks and practical alternatives. This led to reimagining workflows with a focus on leaner execution.

Strategic Task Distribution

Certain preparatory tasks — such as data collation, formatting, and structuring inputs from various sources for GST filing — were passed on to the client's internal team. This collaborative approach helped optimize costs while ensuring timely and accurate data handover.

Resource Optimization

Tasks were reassigned based on associate skillsets and availability to ensure optimal utilization of internal bandwidth.

Time and Motion Benchmarks

Realistic productivity benchmarks were established to track and enhance throughput per employee, driving long-term process efficiency.

Solutions

- Reduced Staffing Lead Time of 2+ weeks.
- Saved INR 1 million on this assignment, maintaining the same profit percentage.
- Practice profitability increased by 3%.
- Utilized bandwidth from existing teams/resource pool to serve the client at a reduced fee while maintaining similar margins, improving net profit without increasing support costs.

Conclusion

This Six Sigma initiative successfully optimized staffing processes for ABC, ensuring cost efficiency without compromising service quality. By leveraging existing resources more effectively and fostering skill development, the project achieved sustainable profitability improvements and operational excellence.

For more information on this case study, please write to us at:

ThinkNext@nexdigm.com

You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com