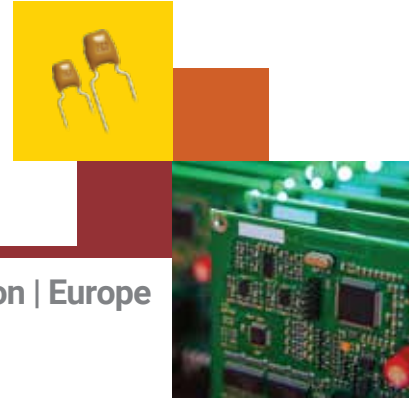


Global Supply Chain Solutions

Success Story #4



Region | Europe

Executive Summary

Limited warehouse space and excessive administration work for low-value items were limiting growth opportunities for this leading European EMS company. A TTI supply chain assessment recommended reorganizing warehouse design, more efficient material flow procedures and a new dynamic inventory reservation system. The implementation resulted in €124,000 reduced net transactional costs, a 95% decrease in expedited orders and enabled 15% growth with no added resources.

The Company

This €140M company employs 8,500 people across 12 European countries providing low-mix, high-volume electronic manufacturing services to a wide range of customers.

The Challenge

With a strategic roadmap calling for growing the business without increasing costs, the company needed to find opportunities to reduce costs and optimize efficiencies across the entire production process. A thorough TTI supply chain logistics assessment revealed that limited warehouse space and problematic material and information flow were limiting growth and causing expenses higher than necessary.

Solution

In concluding the assessment five key initiatives were identified to achieve the greatest short-term impact:

- Reorganize the warehouse layout
- Redefine material flow
- Implement a BoM-analysis driven dynamic inventory reservation system
- Establish ABC classification and risk assessment parameters
- Institute collaborative supply chain control

Results

- Reduced transactional costs by €145,000 yearly
- Annualized net savings of €124,000
- Decreased expedited shipments by 95%,
- Improved competitiveness through reduced order processing time
- Achieved an 18% reduction in procurement transactional costs
- Enabled greater than 15% growth without additional resources



Contact your local TTI Supply Chain Team to arrange a supply chain logistics analysis:

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The IP&E Specialist