

# Global Supply Chain Solutions

## Success Story #8



Region | Europe

### Executive Summary

A leading global manufacturer of fire alarm systems and safety solutions needed to address challenges with their consignment inventory model. TTI conducted a comprehensive analysis of the product portfolio and implemented a min/max solution, reducing transaction costs, increasing consignment turns, and reducing shipments to the consignment by an estimated 60%.

### The Company

A leading global manufacturer of fire alarm systems and safety solutions, operating in over 80 countries as part of a 45-company life-saving technology group with revenues exceeding €2.22 billion.

### The Challenge

The company was running a consignment inventory model where replenishment was triggered by consumption, leading to inefficiencies and high costs. On average, over 1,500 replenishment lines were transacted annually, 50% of which were less than €50 in average value.

### Solution

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

- Conducted a comprehensive analysis of the product portfolio, including recommendations for new consignment items, product classification, risk assessment and a baseline for improvement
- Generate a min/max solution based on an ABC movement classification reduced transaction costs for low-value item

### Results

- 50 additional consignment parts allow the customer to be proactive rather than reactive
- Optimized min/max levels based on ABX/XYZ – classification resulted in consignment turns increasing from 2.5 to 6
- TTI enabled automatic calculation of lot sizes reducing shipments to the consignment by an estimated 60% while maintaining business volume
- Redesign of the processes resulted in reduction of €35,000/year in activity-based cost



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

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