

## Case Study: Supply Chain (SCM)

### 1. Initial situation:

The customer was a medium-sized manufacturer of large-volume parts for industrial applications.

There were procurement problems with the most important purchased part. These led to supply bottlenecks, production downtimes and inefficiency for customers.

The supplier of the most important purchased part was a monopolist, and a replacement solution was not possible for the time being.

The large-volume parts required large packaging, which was returned to the supplier for cost reasons. This packaging was only released when the part was removed at the customer's premises and was then returned. The packaging was therefore needed intermittently and was continuously released.

Unstable packaging prevented stackability and sometimes led to scrap parts.

Mutual recriminations between customers, transporters and suppliers were the order of the day.

### 2. Task:

Initially, the causes of the process disruptions simply had to be clarified.

It was not expected that the interim manager would also take on the implementation.

### 3. Approach:

A detailed analysis of the procurement process was carried out in theory and practice:

a) in Theory (data analysis): End customer requirements (budget) were recorded and their parts lists broken down into individual components. In addition, supplier call-offs and the necessary packaging buffers and raw material requirements were simulated in accordance with replacement times.

b) In practice: Hands-on process analysis was carried out on site, including handling of parts.

### 4. Result:

After 10 weeks of implementation, various sources of disruption (commercial, technical and organisational) were identified and some of them had already been eliminated:

a) The framework agreement incorrectly stipulated 30% more call-offs than the budget required.

b) Unnecessary capacity reservations with the supplier were eliminated and annoyance reduced.

c) The number of packaging types was reduced by 33% through clever adjustments.

d) Optimal buffers for the packaging were calculated with the help of an Excel programme. e) Special pallets were adjusted so that the units could be stacked more easily.

f) The quarterly forecast for delivery call-offs was redrafted (now clear and legible) and visualised using an Excel programme.