Industrial Manufacturer Supply Chain Planning Assessment

HIGHLIGHTS

• Delivered a supply chain roadmap for the next five to seven years
• Developed short-term, low cost initiatives to improve customer service levels
• Provides ongoing consulting on supply chain best practice alignment
• Offers project management support for executing projects on the roadmap

CHALLENGE

The client is a global leader in the manufacture of fastening and latching devices for the aerospace, automotive, industrial equipment, consumer electronics industries and others. The company’s offerings include over 25,000 standard catalog products and more than 50,000 custom products created to meet customers’ specific design needs. Recent growth through acquisition significantly increased the client’s market share along with its physical supply chain assets. As the company grew, it became significantly more global with major manufacturing operations in North America, Europe, and Asia. As this globalization occurred, the ups and downs of the market revealed several deficiencies in how the integrated supply chain was managed.

The move helped stimulate significant sales growth, but the company struggled to align its supply chain assets with customer demand. Manufacturing capacity was under-utilized yet lead times were increasing and customers were not getting their deliveries on time. For a company with a large part of its product portfolio committed to make-to-order products, excess and obsolete inventory were extremely high.

Management recognized that the company needed expert help to resolve these issues and achieve its business goals.

APPROACH

The client engaged Spinnaker with the task of developing a five- to seven-year supply chain roadmap, and designing strategic and tactical planning processes that would help the company leverage its supply chain assets effectively, reduce inventory and improve customer service.
Spinnaker is a global leader in supply chain consulting and execution services. We deliver supply chain excellence with world-class people, processes, technology and operational know-how.

Founded in 2002, Spinnaker operates on two guiding principles – measure our success by our client’s accomplishments and treat every situation with honesty and integrity. It’s from these guiding principles that Spinnaker has been able to achieve tremendous growth.

Spinnaker has worked with entrepreneurial start-ups to Fortune 100 enterprises in industries such as Energy/Oil & Gas, Consumer Products & Retail, High Tech & Semiconductor, Industrial Manufacturing, Medical & Pharmaceutical, and Telecommunications. We combine our vast supply chain and business process knowledge with industry best practices to deliver solutions that drive tangible results for our clients.

The Spinnaker consulting team started by gathering information from the company’s planning, sales and marketing, finance, new product development/engineering, information technology (IT), and customer service professionals. Spinnaker also worked with the company’s IT group to collect and analyze critical supply chain data, which was used to validate internal interview findings and identify where the supply chain was breaking down.

Leveraging Spinnaker’s comprehensive library of best practices, the consultants compared the client’s processes and practices with best practices from similar industries, teaming up with key client personnel to develop project initiatives for filling the gaps.

RESULTS

With its new supply chain roadmap, streamlined processes and supply best practices in place, the organization is now able to:

- Prioritize projects in terms of business impact, cost, effort, and duration, and identify “low hanging fruit” that can produce immediate benefits.
- Plan supply chain process and technology improvement spend.
- Map out a strategy for growing the supply chain as the business grows.
- Pursue initiatives that improve customer service levels on longer-lead time, engineer-to-order products, which are their highest margin products.

The client’s low-hanging-fruit initiatives are already delivering benefits. For example, customer service levels for engineer-to-order products with longer lead times have improved significantly. Next, the client is working to evaluate software vendors for Inventory Optimization (a major saving opportunity) and implement a Sales & Operations Planning (S&OP) process designed to better align demand and supply across the client’s global physical supply chain assets.