

# Automotive



Manufacturer and supplier of lead acid batteries, associate equipment and services for transportation and industrial customers worldwide



## Objectives

Challenged by rapidly rising input costs, the company needed to better manage inventory as a means of bolstering its margins and competitive positioning.

It targeted a €14 million cost saving and a reduction in inventory returns of 22%.

The objective was to improve inventory and cash flow across 9 sites by reducing the inventory levels, including raw material, WIP and finished goods. Low forecast accuracy increased significantly the chance for wrong stock levels as individuals made their own decisions based on their own experience.



## Tools

- Change of culture and behavior of managing cash flow, maintaining stock levels to the adequate level according to site complexity and production seasonality
- Implemented new analysis tools to identify slow movers, obsolete and high running items
- New procurement procedures implemented for consignment stock and central warehousing
- Reengineered customer order process, order book management and interface with sales
- Aligned Logistics, Controlling, Procurement, Production, IT, and Human Resources, with all areas working towards the same goal, both within each site and on European level



## Outcomes/ Deliverables

- Within weeks, the company was leaner, more productive and cost-efficient
- The installation of the new tools and best practice approach challenged the mindset of the existing employees, established a greater sense of accountability and transformed workforce behavior for the better
- Inventory turns were reduced by 33%
- With bottlenecks eliminated and stock moving more freely, the upshot was €14 million in savings, a more streamlined organization and an energized and increasingly accountable workforce

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