

Analysis of potentials to reduce material costs and delivery times

Development of best practices to reduce throughput times and costs for a specific assembly (plant engineering/energy industry)

challenge

- **Long delivery times** of over 12 months for an assembly, which has a massive impact on the overall delivery time of the end product. Delivery times should be significantly reduced. Unplanned delays that lead to additional costs should be avoided
- The aim is to identify **potential for reducing costs and delivery times**
- The **assembly is characterised by a high level of complexity and a wide range of variants**, which impairs the efficiency of procurement and production processes
- **Sourcing in Asia leads to dependencies and challenges** in the coordination of logistics and warehousing

approach

Process recording, analysis & re-design

- Analysing the engineering and execution process and identifying key time and cost drivers
- End-2-end analysis and re-design (concept) of an optimised engineering and optimised engineering and handling process, incl. inclusion of supplier requirements

result

Process redesign and cost reduction:

- Several optimisation options were identified to reduce costs and throughput times. Levers for improvement were agreed with the specialist departments, described in concrete terms and the effects quantified
- Action plans drawn up and aligned with management for implementation
- Overall, a cost saving potential in the range of 5% to 8% could be identified, the reduction in throughput time amounts to approx. 30%