

Contract Manufacturer Materials Management Outsourcing

Highlights



- Impacted client's bottom line by establishing key processes to increase productivity and the quality of the end product
- Executed the material planning function for the client
- Oversaw invoicing and order management for the plant's inbound direct and indirect materials
- Reduced the resources required for material planning by over 35%

The Challenge: The contract manufacturer's primary focus at the facility was systems assembly, specifically the handling of complete wireless mobility systems built to customer order. To best meet the plant's operational challenges it needed a partner to address business functions that fell beyond the reach of its core competencies as a contract manufacturer. As such, it turned to Spinnaker for improvements in the quality auditing and materials planning areas.

Months earlier, Spinnaker had been chosen by the same telecommunications provider to outsource some of its procurement-related activities and came highly recommended to contract manufacturer. Spinnaker offered a strategic solution that met the client's performance needs and offered the ability to hire, train and integrate qualified personnel in a short timeframe. When the manufacturer assumed the responsibility for the Columbus operations, it recognized Spinnaker as the best solution for outsourced help.

The Approach: This client immediately charged the Spinnaker team with creating a quality management program. Our team quickly impacted the client's bottom line by establishing key processes to increase productivity and the quality of the end product. Among its first activities, the Spinnaker quality management team helped qualify the facility for ISO 9000 and ISO 14000 certification.

Spinnaker also instituted an incoming material inspection process that would identify vendor errors or faulty materials before the client dedicated labor and effort into their handling—saving time and money by avoiding these labor-intensive tasks.

In addition to the quality management program, Spinnaker executed the material planning function for this client. In this role, our team oversaw invoicing and order management for the plant's inbound direct and indirect materials.

The Results: Spinnaker brought a solution that offered a broad range of support services – delivering value through results;

- Rapid process analysis to establish a successful cost-saving quality program
- Implementation and training of highly qualified and knowledgeable personnel with no operational downtime
- Identification of cost savings opportunities in material planning, expediting and tracking
- Invoice management tools designed to reduce discrepancies and facilitate flow of purchase orders
- Generation, analysis and management of comprehensive reporting for all purchasing, logistics and materials management activities


In five months, the client grew the Spinnaker team responsible for quality auditing and compliance investigation from two employees to 14 due to the valuable role the group played in operations. “By providing strategic thinking to quality processes and planning, the Spinnaker team has brought immeasurable value to (us). We’re working just as hard as we always have, but with the help of the Spinnaker team, we are working smarter,” said the client quality manager.


The client saw positive results every day from the newly established processes. For example, on one day the new quality checks identified 136 incorrectly manufactured circuit boards before they were accepted for assembly. This catch alone saved tens of thousands of dollars in material and labor costs.

Spinnaker's work in material planning has also been successful. Its 22-member material planning team performed the jobs that a team of 35 had done previously. “Not only are they providing cost savings through operational efficiencies, the Spinnaker team is highly productive in all roles,” explained the supply manager for the client. “The group brought a ‘can do’ attitude to material planning that didn’t exist before.”

About Spinnaker: Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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