



## 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

**The 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.

**The 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.

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.

**The 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 evaluation 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.

**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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