



## OBJECTIVES & CHALLENGE

The client's portfolio includes internationally recognised brands. The UK represents a significant market, containing nearly 300 dealers and accounting for over £300m sales in FY04/05.

The manufacturer engaged with Consilium on this project to review the current operational performance of their spare parts supply network.

Consilium looked to identify operational improvements with respect to:

- service level
- process
- space utilisation

Out of scope within this exercise were transport and inventory strategy.

The 400,000 sq ft facility stocks around 120,000 product lines and despatches nearly 23,500 units per day of operation. Small parts account for 67% of throughput volume and represented the most important area for focus.

## SOLUTION & RESULTS

The solution proposed represents a new operating concept to manage small parts creating totally distinct operating methods.

This is designed to fulfil 3 Goals delivering real benefit to Consilium's client:

Enhanced Productivity	Increasing pick accession rates and minimising the 'pick walk' and duplication of effort
Better Space utilisation	Storing slow moving parts in a highly space efficient manner
Avoiding Unnecessary Expansion	Freeing up c.40,000ft <sup>2</sup> of space for advantageous use

Identified benefits of the proposed solution include:

- 5.5 % point increase in customer service coupled with faster response time
- Ability to pick and replenish simultaneously and improve material flow
- Significant 7 figure savings in relation to space and labour utilisation
- Project payback over a 12 month period