

CASE STUDY

Aiding Financially Distressed Stamping Organizations



& Supplier of Metal Stamped Parts

CLIENT PROFILE

Engaged by an Auto OEM to address supply chain issues at a Tier 1 Supplier at two plants of Multi-National Metal Stamping Company with US locations in Midwest and Southeast

CHALLENGE

Facing challenges from continued annual financial losses, a degrading equity capital base, and negative cash flow driving concerns of their financial health in its supplier and customer base, the impact permeated all aspects of the organization and team members. Operational inefficiencies resulting were driven by raw material availability, production scheduling, inventory management, data integrity within their ERP. The financial issues drove delayed deliveries of raw and component materials further constraining the organizations production thrupt and on-time deliveries. Organization's operational team were in full "firefighting" responding to raw material availability and ineffective scheduling resulting with short production runs, press setups/teardowns, and multiple charter airlights per day to deliver needed parts to multiple OEM assembly plants.



APPROACH

Facing urgent challenges of meeting the OEM customers delivery requirements, the team focused effort upon addressing:

- Supplier relationships and deliveries (AP/COD)
- Inventory Control and accuracy
- Production Scheduling – Customer Delivery and Reduction of incomplete production runs and press setups/teardowns
- Inventory Location and Material Handling

SOLUTION

- Technical, Operational, and Financial Leadership provided to aid existing Tier 1 management team
- Implementation of Production Press Run Validation
- Coordination of value-added offsite processes (Finish)
- Cash Flow Management – 13 week Cash Flow Forecast
- An "off-line" scheduling and inventory validation system was developed as ERP databases were under review

RESULTS

Through defined goals, objectives, and a shared vision of the actions needed to improve the current situation, Tier 1 supplier returned to profitability. The organizations' Technical, Operational, and Financial Leadership Team:

- Facilitated increase of production throughput increasing output by 30% Reduced expedited freight (Air & Truck) by 90%+ improving customer on-time deliveries company's suppliers. Reduced setups and tear-downs by 50%
- Improved data integrity of ERP scheduling, BOM, and inventory accuracy
- Streamlined the process for parts finish (Paint/Powder Coat/Finish) with off-site suppliers reducing the
- turnaround time by 3 days.

Client OEM's supplied parts were increased to 7 days on hand aiding the recovery of other customers supply chain and DOH

BENEFITS OF 360 VERITAS TEAM

- **Drive Change on the manufacturing floor and supply chain**
 - OEE Throughput /output Warehouse & Operational Organization and Management
 - Scheduling/Forecasting/Planning Business Transfer
 - Facilitation Quality and Operational improvement
 - Inventory Control and Rightsizing including Physical Inventory Supply Chain continuous improvement and Risk Management Warehouse Management
- **Drive Change in Information Technology**
 - ERP/MRP system analysis and correction
 - Business Intelligence/Data Analytics
- **Purchasing (Contract Evaluations and Negotiations)**
- **IT, Sales & Marketing, Engineering resources**
- **Rapid Response for distressed organizations/Crisis Resolution**