

PROJECT OVERVIEW

CHALLENGES:

- Limited purchasing capabilities. Purchasing seen as “administrative” role.
- Lack of structured purchasing processes and tools
- No cooperation between purchasing and technical departments
- 100+ suppliers for maintenance services & materials

OBJECTIVES:

- Achieve a relevant part of savings potential immediately
- Realize significant near-term competitive advantage by reducing suppliers, and improving integration of suppliers into product development
- Better integration of maintenance providers in manufacturing processes

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Regenius focused on four areas: scraps, refractories, maintenance services and spare parts

ANALYSES APPLIED:

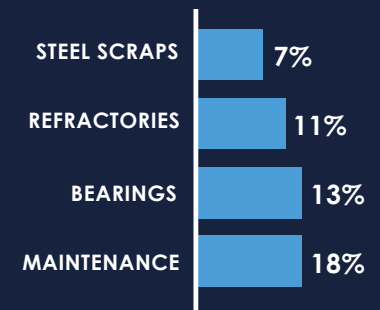
- TCO analysis
- VE/VA
- Detailed mapping of activities for maintenance

APPROACH / TOOLS:

- For scraps, refractories and spare parts, we applied a design-to-cost approach, using commercial and technical levers:
 - Built a detailed spending and utilization tree
 - Conducted several idea generation workshops focused on product specifications
- For maintenance, we:
 - Built detailed spend base and suppliers map showing materials and services
 - Identified issues and inefficiencies in each purchasing process phase, and designed appropriate solutions
 - Tested solutions on pilot services and materials
 - Designed detailed roll-out plan to extend the approach to remaining commodities and service contracts

RESULTS

SAVED 7–18% ON TARGETED COMMODITIES.



ADDITIONAL BENEFITS:

- Redefined overall process for purchasing maintenance materials and services
- Integrated maintenance providers into manufacturing processes