

PROJECT OVERVIEW

CHALLENGES:

- Need for continuous productivity improvement to offset general price squeeze in market
- Target to generate savings of 7% of spend base over 2 years

OBJECTIVES:

- Focused on indirects, maintenance and spare parts
- Perform two pilot projects on maintenance (including spare parts) and indirects
- Improve integration of key vendors in product/service conception
- Enlarge supplier base
- Stop continuous price increases from vendors

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Regenius focused on three key aspects of the client's business: maintenance, spare parts, indirects

ANALYSES APPLIED:

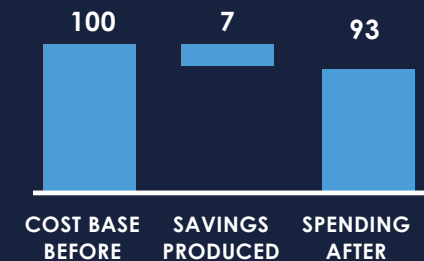
- TCO analysis
- VE/VA
- Detailed mapping of activities for MAI

APPROACH / TOOLS:

- For indirects, we applied a DTC approach, applying commercial and technical levers:
 - Conducted several idea generation workshops focused on product specifications
- For maintenance and spare parts, we:
 - Built detailed spend base and suppliers map on 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 / service contracts

RESULTS

- 7% cost savings on addressed categories
- First year savings target reached in one wave
- Stopped price increases from vendors



ADDITIONAL BENEFITS:

- Introduction of technical optimization process and workshops
- Implemented incentive system for key vendors
- Integration of maintenance providers into manufacturing processes