



CASE STUDY

# AUTOMOTIVE PARTS INBOUND LOGISTICS

# A TOP ECHELON MANUFACTURER OF ELECTRICAL AUTOMOTIVE COMPONENTS SUPPLYING MOST OF EUROPE'S MAJOR CAR AND TRUCK PRODUCERS, IN ADDITION TO SATISFYING GLOBAL MARKETS.

## BUSINESS CHALLENGE

The client urgently needed space in their UK production facility to increase manufacturing output. This requirement for additional production space is expected to grow over the next two/three years. Historically all components and raw materials for the manufacturing process had been held in warehousing on the site, being fed to the production lines on a Just in Time (JIT) basis. Components and raw materials are fed to the plant from other facilities and suppliers in Germany, Italy, Turkey, Brazil, Mexico and the Far East (principally China) with daily deliveries from all sources. Our client was seeking a partner to manage the logistics process from inbound components and materials to JIT delivery to the production line, including the provision of off site warehousing to enable the immediate expansion of production space. The logistics facility, management and staff would need to be available 24/7 to not only feed the manufacturing process but additionally to take immediate responsibility when required for actions relating to quality control.

## METHODOLOGY & SOLUTION

SDV was appointed following a tender process and then collaborated closely with the client to understand all logistics activities including material flows, administrative process, IT and inventory management, production line timings, sourcing of materials, communication channels, packing and presentation requirements for production lines, management reporting and anticipated future requirements. Following analysis and development of best practice solutions in collaboration with the client, the SDV team set up and operated:

- ▶ A warehouse with appropriate storage and handling equipment to receive, sort, hold and despatch parts, components and materials to the production lines on a JIT basis.
- ▶ Management of inbound arrival times for European trailer traffic to optimise warehouse staff utilisation whilst ensuring item availability.
- ▶ Receipt, recording picking and despatch on a FIFO basis of all inventory arriving and that picked for despatch to the lines, real time.
- ▶ Routine cyclical checking of inventory to ensure total accuracy.
- ▶ Unpacking of all consignments upon receipt and repacking in stillages as required for delivery to the production lines.
- ▶ Receipt, storage and preparation of raw materials such as steel coils for delivery to production lines.
- ▶ Ocean shipping from points of origin outside Europe – including direct to plant where required.
- ▶ Shift working 6 – 12 and 12 – 8 with flexible labour resource according to peak requirements, in receiving, sorting, picking and despatch.
- ▶ 12 hour shifts with flexible resource on Saturdays and Sundays to meet weekend schedules.
- ▶ Hourly transportation from warehouse to production lines.
- ▶ 24/7/365 resource for quality control actions. Where defective components and or raw materials are identified, actions are:
  - ▶ Line stopped
  - ▶ Batches involved identified
  - ▶ Materials of identified batches withdrawn from line and store and placed in quarantine.
  - ▶ Replacement materials despatched to line.

## BENEFITS AND RESULTS

- ▶ Over 2000 m<sup>2</sup> space immediately released for production.
- ▶ Potential for a further 5000 m<sup>2</sup> to be released as required.
- ▶ Full cover for JIT provision of all materials to production lines.
- ▶ Real time recording of inventory movements and clear visibility of stock.
- ▶ Staffing flexibility to handle peak workloads.
- ▶ Immediate Quality Control actions to minimise downtime.
- ▶ Flexible partner with the capability to manage warehousing, JIT supply, international, European and domestic transportation.