

A NEW SUPPLY CHAIN LEADERSHIP VISION FOR A GLOBAL METALS MANUFACTURING COMPANY

OVERVIEW

After a number of years of disappointing financials, this global metals manufacturing company hired a new CEO to restructure and revitalize the company. A key part of the CEO's vision included a shift from an operating model of highly independent plants into a center-led organization with virtual manufacturing networks within each region. This shift strained the existing supply chain people, operating practices and tools, resulting in excessive inventories, lower on-time-in-full (OTIF) performance and higher operating costs. Venetia Partners was hired to fix the supply chain's tactical issues, to build a global supply chain organization and to transform company-wide supply chain capabilities and operating philosophy.

CHALLENGE

The company lacked the supply chain sophistication and insight to support its new operating model. That affected operating practices from raw material planning to S&OP and detailed scheduling to shop floor execution and customer delivery.

Primary Symptoms:

- Subpar OTIF performance and dissatisfied customers
- Lower machine utilization that undermined achieving plan
- Higher scrap rates and operating costs
- Days-Inventory-Outstanding (DIO) averaged 70 days, up from 30
- Days-Sales-Outstanding (DSO) increased—unpredictable customer deliveries; growing backlog
- Days-Payables-Outstanding (DPO) increased—unnecessary scrap and steel input purchases
- Increased cash required to run the business

OUTCOME

Venetia Partners operationalized the supply chain operating practices, people, leadership and supply chain network connections to fix, build and transform the situation on all fronts.

- Executed a structured approach at HQ and across 4 continents involving senior executives to shop floor personnel
- Used techniques and tools to fix tactical metal flow issues within supply chain, deploying highly experienced teams to deliver required results
- Leveraged world class industry info and tech insight and deployed an integrated toolset to sustain new operating practices

SUCCESS BY THE NUMBERS

Resulting KPI improvements:

- Global demand/supply balancing improvement » **↑ 43%**
- OTIF improvement » **↑ 25%**
- Metal inventory reduction » **↓ 31%**
- Equipment downtime due to lack of material » **↓ 35%**

"The Venetia Partners team rolled up their sleeves and embedded themselves in the daily operations of our business. They implemented best practices on how 'world class supply chains' must operate to deliver to the auto industry. I would choose Venetia all over again because of their unwavering commitment to excellence."

SVP & Chief Supply Chain Officer

ABOUT VENETIA PARTNERS

Venetia Partners, an international boutique firm of operational solutions experts, drives rapid performance improvement, real outcomes and an immediate impact on the bottom line. Its no nonsense approach to fix, build or transform operational challenges often associated with the supply chain makes it sought after by large manufacturing and distribution companies and private equity firm owners. Venetia Partners operates out of nine major markets including Atlanta, Chicago, Pittsburgh, Shanghai and Milan.

To speak with an expert, please call 800.607.0910 or email: sales@venetiapartners.com