



Aerospace Manufacturer Conquers Shortages and Frees \$80M in Working Capital with LeanDNA

An international aerospace manufacturer with over \$6 billion in annual revenue simultaneously faced major shortages for some of their parts and excess inventory on others, leading to on-time delivery issues and cash constraints. Missed product delivery deadlines were slowing final deliveries of aircrafts, resulting in angry customers coming, and staying, on site to micromanage production. The company's ERP systems were not doing enough to help their supply chain teams solve both the shortage and excess problems. Overwhelming amounts of ERP action messages were being created every day, with no prioritization around value or importance. Additionally, there was no way to collaborate with managers from other sites, or see the inventory available at other sites. All the manufacturer could do was reduce the volume of messages as much as possible by having team members work on the weekends.

In order to sort out excess inventory and shortage issues, the company implemented LeanDNA within one of its branches. In short order, LeanDNA was helping to prioritize the highest value actions to get the manufacturer back on track. Critical shortages were addressed quickly, excessive ordering was limited, site-to-site visibility improved, and their customers saw more orders delivered on time. As time progressed, the aerospace manufacturer was able to move from "fire fighting" with shortages and excess inventory challenges into a more predictive and proactive system of inventory management.

OVERVIEW

Industry

Aerospace Manufacturing

Revenue

\$6B

ERP Across Sites

Infor M3, Infor LN, SAP, & Royal 4

Results

- 20%+ improvement in on-time deliveries
- \$80 million working capital reduction attributed directly to inventory improvements through the LeanDNA platform
- Improved cross-site and cross-ERP visibility, standardization, and reporting



With LeanDNA, our analysts spend less time writing reports and more time analyzing data and driving results.

–VP of Supply Chain,
International Aerospace Manufacturer



Before LeanDNA

Before partnering with LeanDNA, the aerospace manufacturer relied on ERP action messages for day-to-day direction. Volume, rather than value, dictated how buyer success was measured by leadership. There was no way to prioritize which tasks to complete, causing late deliveries to further increase. Additionally, each site had a different ERP platform, so standard work or communication between the company's sites was limited. Data from each of the different ERP sources was organized and presented in different ways, making it hard to share knowledge or combine reporting for a company-wide view. Data analysis was run through a file-sharing platform. Spreadsheets were the main sources of data and had to be updated manually to track progress. Files were often unmanageably large, difficult to share, and required complex macros and sorting to analyze or update. And showing upset customers Excel sheets did not inspire confidence in their ability to fix their issues.

Results with LeanDNA

Through its partnership with LeanDNA, the aerospace manufacturer was able to quickly right-size inventory, reducing costly excess and improving on-time delivery percentages. Within six months, one division alone reported an **\$80 million reduction in working capital** that could be attributed directly to inventory reduction through the LeanDNA platform, followed by a **16% inventory reduction** for the full fiscal year. They were also able to simultaneously improve customer satisfaction through better on-time delivery percentages.

Branch sites using LeanDNA were able to achieve over 90% of deliveries on-time, where previous numbers were 70-80%.

LeanDNA has become a primary business system for buyers, managers, and executives, serving as the central hub for cross-site inventory analytics and prioritized decision-making:

- Buying teams are able to prioritize which critical actions will have the most impact, increasing time spent on satisfying proactive work and reducing the frequency of weekend workdays.
- Managers run meetings from the LeanDNA platform and drive their teams towards high-value activities, not just quantity.
- Executives are able to see progress with organized, visual data across multiple sites from the same platform.

The aerospace manufacturer initially **launched LeanDNA at 4 sites** within a single aircraft program. After the success driven by LeanDNA at those sites, **LeanDNA has since expanded to 19 additional sites** across each of the manufacturer's 3 branches. As LeanDNA continues to prove its value, the company plans to expand to additional sites and programs.

Key Challenges

- An extremely high volume of ERP action messages bogged down the team, causing constant "fire fighting" to sort through a barrage of issues
- No prioritization of ERP action messages or inventory tasks led to time wasted sorting through and executing on low-value activities
- Buyers and managers regularly exceeded 40-hour workweeks, often coming in on weekends to catch up
- Shortages and missed on-time deliveries were causing significant problems for customers, resulting in customer representatives coming on-site
- Lack of visibility across multiple sites and ERPs caused excess inventory to sit at one site while another site was in shortage
- Reporting processes lacked standardization and accountability, making it hard for executives to get a comprehensive view of problems across all sites

The LeanDNA Difference

- LeanDNA Inventory Actions prioritized the most valuable activities, resulting in less time digging through action messages and more time fixing costly and urgent issues
- Reporting work processes were automated and standardized across the entire division's sites and platforms
- Buyer activities were aligned to customer satisfaction, providing the entire team with a clear sense of purpose and path to success
- Excess and obsolete inventory at one site was visible to other sites, saving the company money. A planner at a single site was able to sell \$500,000 of obsolete inventory to other sites, eliminating costly write-offs and resolving shortages at the same time
- Executives have access to aggregate reporting across sites despite disparate ERPs, creating a single source of truth for results, goals, and best practices
- New sites and ERP systems were able to quickly integrate into the LeanDNA platform, with minimal IT commitment, to reduce inventory and shortages faster

