LeanDNA

Customer Results: $20 Million Savings in 90 Days

A leading aerospace manufacturer had undergone a major, multi-site SAP implementation and spent millions of dollars on systems and infrastructure to improve their business.

With over $200M in purchased inventory on hand, this company was on a non-stop mission to reduce inventory and free up working capital while simultaneously eliminating shortages.

Despite those major investments that worked well for certain areas of the company, the supply chain organization still managed their activities using labor intensive and non-standardized Excel spreadsheets to fill the gaps in standard SAP reporting. These workarounds weren't standardized or integrated — and they achieved limited results.

After comparing LeanDNA with traditional Bl solutions and internal development, the company selected LeanDNA and quickly implemented the LeanDNA solution and standard work within their organization. Our teams worked side-by-side to ensure that the company's teams were successful in deploying the solution and achieving positive results.

The LeanDNA out-of-the-box tools and built-in best practices gave the company's internal supply chain resources more time to focus on process improvements and drive operational efficiency so they could achieve their mission of becoming a world class manufacturer.

OVERVIEW

Industry
Global Aerospace Manufacturing

Revenue
$4B

Customer Objective
Improve Operational Excellence

Results
- Fast implementation time
- Quickly highlights which actions to take down to the part level
- Easy access to critical data
- Lower Total Cost of Ownership via Saas model
- Pre-built, out-of-the-box domain specific best practices

"What previously took our team several days in Excel now takes minutes in LeanDNA. This time savings allows my team to focus on managing their parts and suppliers more effectively.

–Supply Chain Manager

Key Challenges

The aerospace industry is often plagued by constantly changing customer requirements which flow down through the supply chain. These supply chain organizations are tasked with keeping up with these changes and are usually using Excel to manage their day-to-day workflow. Not only do they need to manage excess inventory and ensure material arrives on time to support production, they need to constantly communicate with suppliers and prepare reports and presentations for upper management. This supply chain organization needed a better alternative to manage their daily activities while also having a quick and easy way to communicate critical issues with their executives.

The LeanDNA solution

This company deployed LeanDNA to one of their sites in late 2014. Within a matter of days, they were able to visualize data feeds from SAP via pre-built dashboards designed around industry best practices. The result was that the site could immediately see the health of their supply chain and possible opportunities for inventory improvements. By cutting through the clutter of the ERP system, LeanDNA provided a direct line of sight into the levers that would have the greatest impact on inventory.

With the right information highlighted for the right users with the right priority, the customer could focus on those few initiatives that drove the biggest gains, understanding what actions would reduce inventory and working capital.

Business Results

Purchased inventory at one site went from $75M+ in 2015, to $62.3M by the end of 2015, to $52 M by Q2 2016. Globally, the company reduced inventory by over $20M in a matter of 3 months. Once the first site was up and experiencing great outcomes, the company decided to move to six additional sites in early 2015 and eventually expanded to their entire 60+ global network of factories.

As the tool was expanded to other sites with different ERP systems, the company has seen increased benefits by leveraging cross-site analytics and combined visibility by bringing several ERP systems together into a single view. LeanDNA helps manage the complexity of these disparate systems and brings visibility of data and actions into a single unified system.

Critical Requirements:

- Reduce inventory and minimize shortages
- Improve the efficiency of supply chain and procurement staff by eliminating Excel wherever possible
- Use industry standard best practice metrics to manage inventory and shortages across the entire company (multiple sites)
- Improve communication and collaboration with suppliers
- Optimize order policies based on changing demand and production needs
- Reduce costs

With LeanDNA, we can translate information into action - and know what actions will have the greatest impact on cash flow.

–VP of Supply Chain