



Insight in our competencies

Highly efficient after-sales management contribute significantly to success in many industries. What until now has been considered more of a duty toward customers, is developing increasingly to become a sustainable growth field with attractive sales revenues. Among others, the mechanical engineering and automotive industries have already recognised this fact. Besides high availability of spare parts, the focus is now switching to efficiency and performance throughout the entire supply chain. Nonetheless, the optimisation of inventory and replenishment costs is a major challenge given the growth in article volumes, especially as it is also necessary to manage new services within a global and complex market.

Insight in current topics

Planning of high-performance spare part warehouse fulfilment

Late cut-off times for next-day deliveries, substantial order picking performances and the accommodation of a broad array of shipping strategies are essential to achieve high service levels and productivity within spare part warehouse fulfilment. Besides the management of replenishments for downstream regional warehouses or dealer organisations, companies frequently and at the same time offer direct supplies to regional consumers or service certain distribution channels like online retail. This is further compounded by the assembly of customised item sets and the implementation of specific packaging wishes. And all of this needs to be handled against the backdrop of the continuously growing range of articles, of which 70 to 80 per cent achieve barely any turnover and hence do not contribute to business. When planning a spare parts warehouse, it is imperative to ensure accommodation of a large range of articles, while maintaining significant efficiency and flexibility for order picking and dispatch. High productivity – measured by picks per hour, for instance – as well as the reduction in throughput times and handling costs are among the core customer demands. Achieving this will not only require definition of the right process strategy and automation technology, but also the correct configuration of the warehouse management systems (WMS), for instance to handle order management and storage space allocations. Not only is the combination of

warehouse planning competency and profound knowledge of standard WMS such as SAP EWM absolutely imperative, it is among our specialities.

Inventory and service level optimisation for spare parts

One of the key challenges in almost every industry is to offer customers a high level of delivery service for spare parts, while ensuring that the costs of inventory and warehousing remain acceptable. The idea of increasing the availability of an expanding range of articles with simultaneous optimisation of inventories appears inherently contradictory. A solution to this problem involves establishing a systematic policy for the scheduling of service parts. This is achieved through comprehensive data analysis of logistical movement patterns for all relevant article numbers and the subsequent classification of the articles according to a defined scheme. ebp's proprietary, extremely efficient analysis and simulation tool can be used to develop a scheduling policy and to systematically assess each of the respective performance indicators. Use of the ebp tool enables the development and comparison of different variants for delivery service and inventory costs. Implementation can only succeed through systematic training of the dispatchers, as we have done in several projects already. An essential factor is to ensure continuous monitoring and, when necessary, modification of the scheduling parameters, as an ideal outcome will otherwise be impossible.

Distribution strategies for the global supply of spare parts

The right inventories at the right locations – This is an immense challenge, given the substantial number of articles in the spare parts business. A global distribution network comprising proprietary central and regional distribution warehouses needs to be planned intelligently in combination with the article range and replenishment strategy. Provided they agree, warehouse inventories from importers and distribution partners can also be managed within the network. Ideal replenishment and provisioning strategies are within reach due to the availability of transparent data on inventory days. This is particularly important for slow-moving products or spare parts with seasonal peaks. Central scheduling, supported by a smart SCM system for demand planning, replenishment control and inventory management, can identify an ideal compromise between availability, delivery service and the costs of inventory and fulfilment.

Competencies of ebp-consulting – A selection

We help our customers ensure the maximum availability of spare parts, i.e. a high service level, combined with optimised costs for material inventories and services.

1. Strategy, network structures and processes

- Definition of the service strategy and services portfolio
- Logistical integration of suppliers, service providers, warehouse locations and dealer networks
- Assessment and optimisation of logistic processes in the after-sales network
- Warehousing and inventory strategies for accessories and spare parts in the after-sales network
- Inventory optimisation using ebp's proprietary tool and modification of the scheduling principles
- Alignment of the after-sales organisation to suit market requirements

2. Suppliers and service providers

- Optimisation of supplier and service provider processes
- Implementation of process audits
- Optimisation of order fulfilment in after-sales
- Transport optimisation
- Outsourcing of spare parts services

3. Central and regional distribution warehouses

- Planning and optimisation of locations, structures, facilities and automation technology for the central and regional warehouses
- Optimisation of procurement and distribution logistics
- Inter-site inventory and availability management
- Optimisation of picking and shipping processes, reduction in order throughput times and increase in warehouse productivity

4. Dealer and branches

- Service and distribution concepts for after-sales products
- Establishment and rollout of optimised after-sales processes for dealers and branches
- Process training

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