

Rapid cost savings

Optimise purchasing worldwide in a machine building company

Extremely complex and historically evolved supply chain structures, plus increasing pressure from competitors led to a massive erosion of margins in the international machine building sector.

The Client

- Internationally active company in the machine building and equipment sector with various manufacturing locations and service centres; HQ in Switzerland
- Turnover: approx. CHF 1.5 billion
- No. of employees: approx. 6.200 worldwide

The Objective

- Review the worldwide purchasing processes and organisation as well as the instruments used
- Identify and define cost saving potentials in purchasing

The Solution

- Formulate and implement a supply management strategy with the following focal points:
 - Implement a commodity group and supplier management concept
 - Implement a supplier management performance system
 - Intensify global sourcing and expand worldwide supply platforms
 - Redefine the supply chain controlling function
- Design a training programme for purchasing officers, buyers and engineers from the engineering sector (Supply Management Education Programme)
- Redefine the strategic and operational responsibilities of the decentralised sourcing operations
- Early integration of purchasing, internal and external strategic partners into the product development process

The Client Benefit

- In the first year already, overall purchasing costs were cut by more than 5%.
- Performance of strategic suppliers was significantly improved.
- Inventory levels were massively reduced by direct and JIT deliveries onto the assembly line or into the logistics routes.
- The qualification level of supply chain employees was substantially improved.
- Understanding of supply chain processes in the engineering departments was improved, thereby optimising internal cooperation.