

sales – order management

period _____

black



turn																	
initial																	
+ entry																	
- outflow																	
= final stock																	

white



turn																	
initial																	
+ entry																	
-outflow																	
= final stock																	

demand planning

period ____

period ____	sales		finished		semi-finished			material		
	 B	 W	 B	 W	 S	 W	 R	 B	 W	 R
order entry	36	48								
deliveries										
planned change in sales stock										
expected order quantity										
planned change in finished product stock										
expected production final assembly										
planned change in semi finished stock										
expected production in subassembly										
planned change in material stock										
order quantity										

Information short cut

Introduction of fax, electronic data interchange (EDI) to the customer, supplier and within the company

- results:**
- Shortening throughput time
 - Shorter information flow time
 - Higher planning accuracy

costs: - 500 € for hardware investment

Shortening transport cycles

All deliveries now possible in every turn

- results:**
- Shorter replace cycles for the sales- order processing
 - Cutdown of the inventories in plant FP- and salesstock

costs: - 800 € for two additional transport vehicle

Lot size reduction

The minimum lot size in the plant – final assembly is reduced from 5 to 3 units

- results:**
- Shorter replace cycles for the plant – FP-stock
 - Cutdown of the inventories in plant FP-stock

costs: - Increase of production control costs

4. Withdrawal of warehouses

Black device delivery directly from the plant.

- results:**
- Cut down internal transportation costs
 - Cutdown of the inventories in sales-stock
 - Shortening throughputtime

caution ! Disharmony in the planning system could be caused by lower inventory level

5. Lot size reduction

The minimum lot size in the plant – final assembly line is reduced from **3** to **1** unit
Black and white devices are loadable on any machinery in the plant-subassembly

costs: **500 €**

- results:**
- Shorter replace cycles for the plant – FP-stock
 - cutdown of the inventories in plant FP - stock
 - flexible response to customer orders

For new lot preparing machinery

6. Suppliercertification and JIT - delivery

Preselection of low quality supplier with the help of supplier-audit-systems
JIT – delivery-contract for the red units

- results:**
- 100% quality on time
 - Shorter replace cycles
 - Cutdown of the inventories in plant material - stock
 - relief on the inspection capacity

costs: **300 €**
for supplier audits and contracts

7. Flexibility in transport

new contracts with shipping companies.

- results:**
- no transport capacity limits
 - improved service for customer requested turns

Costs: **100 €**
For contracts