



OPERATIONAL OPTIMISATION OF AN AUTOMOTIVE SUPPLIER

Realising success potentials through operational optimisation

Optimisation program ADMETAM focused and tightly sequenced

Targeted turnaround

Realignment

Value increase

Success factors/ modules

Financial restructuring

Liquidity management optimisation

Release internal cash flow reserves

Reorganisation financial structure

Solid funding

Operational optimisation

Sales stabilisation/ production development

Product portfolio optimisation/ make or buy

Value chain/ cost structure* optimisation

Adequate profitability

Focus

Strategic/ structural realignment

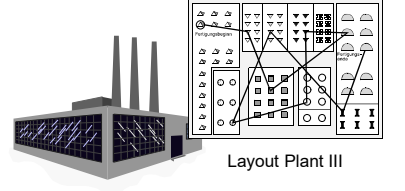
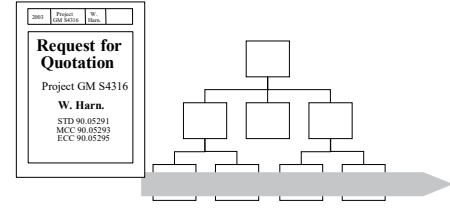
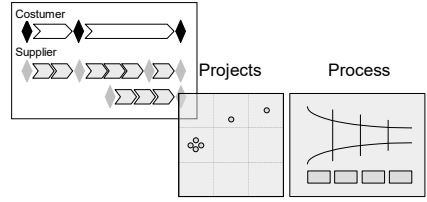
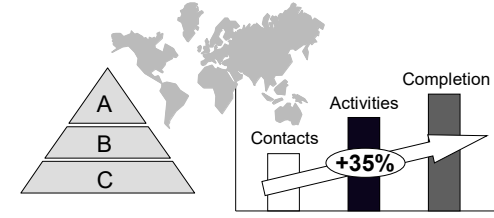
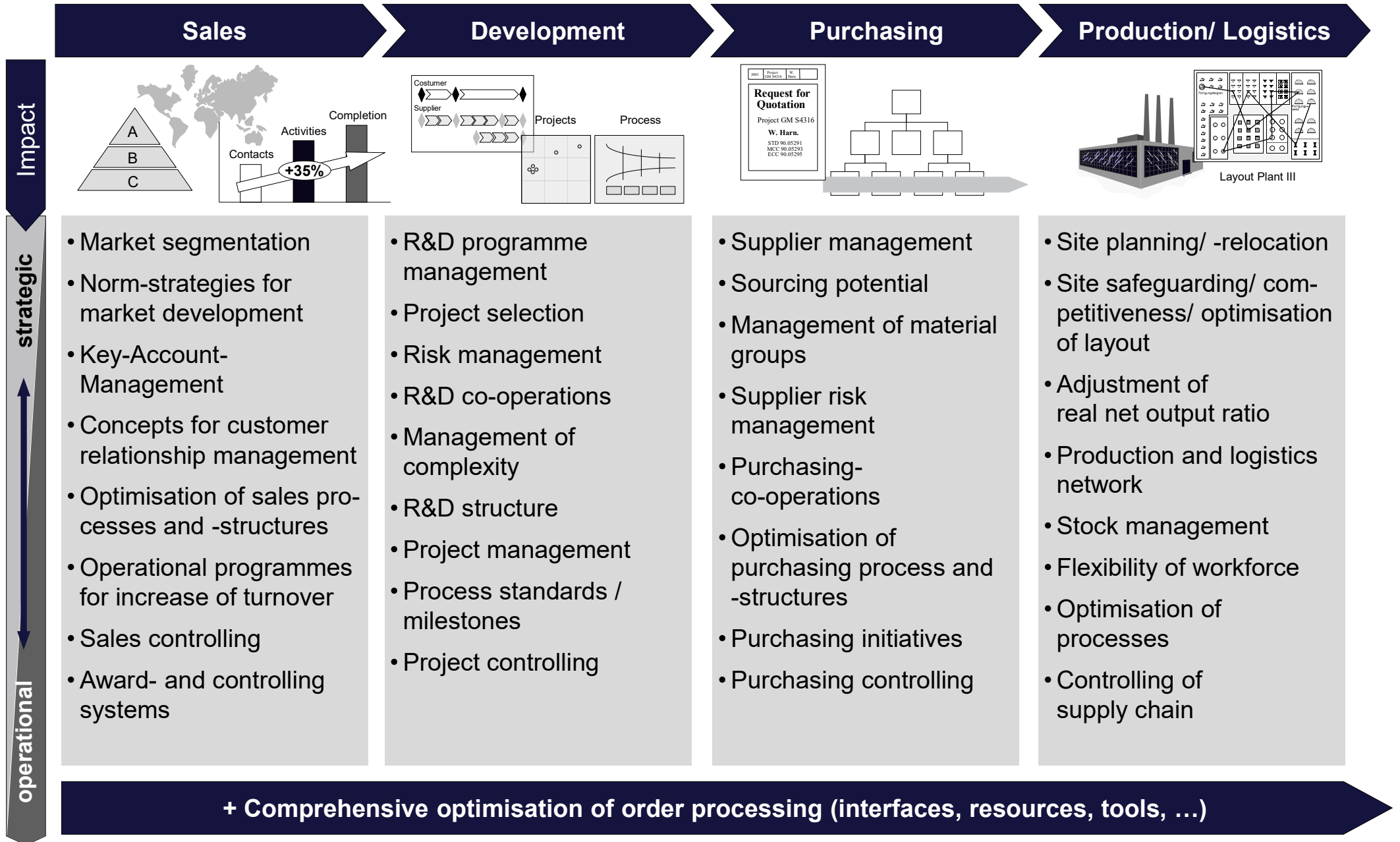
Determination positioning/ strategy roadmap

Sustainable management structure/ organisation

Management policies/ corporate culture

Sustainable business model

Ensure effectiveness and efficiency across entire supply chain



- Market segmentation
- Norm-strategies for market development
- Key-Account-Management
- Concepts for customer relationship management
- Optimisation of sales processes and -structures
- Operational programmes for increase of turnover
- Sales controlling
- Award- and controlling systems

- R&D programme management
- Project selection
- Risk management
- R&D co-operations
- Management of complexity
- R&D structure
- Project management
- Process standards / milestones
- Project controlling

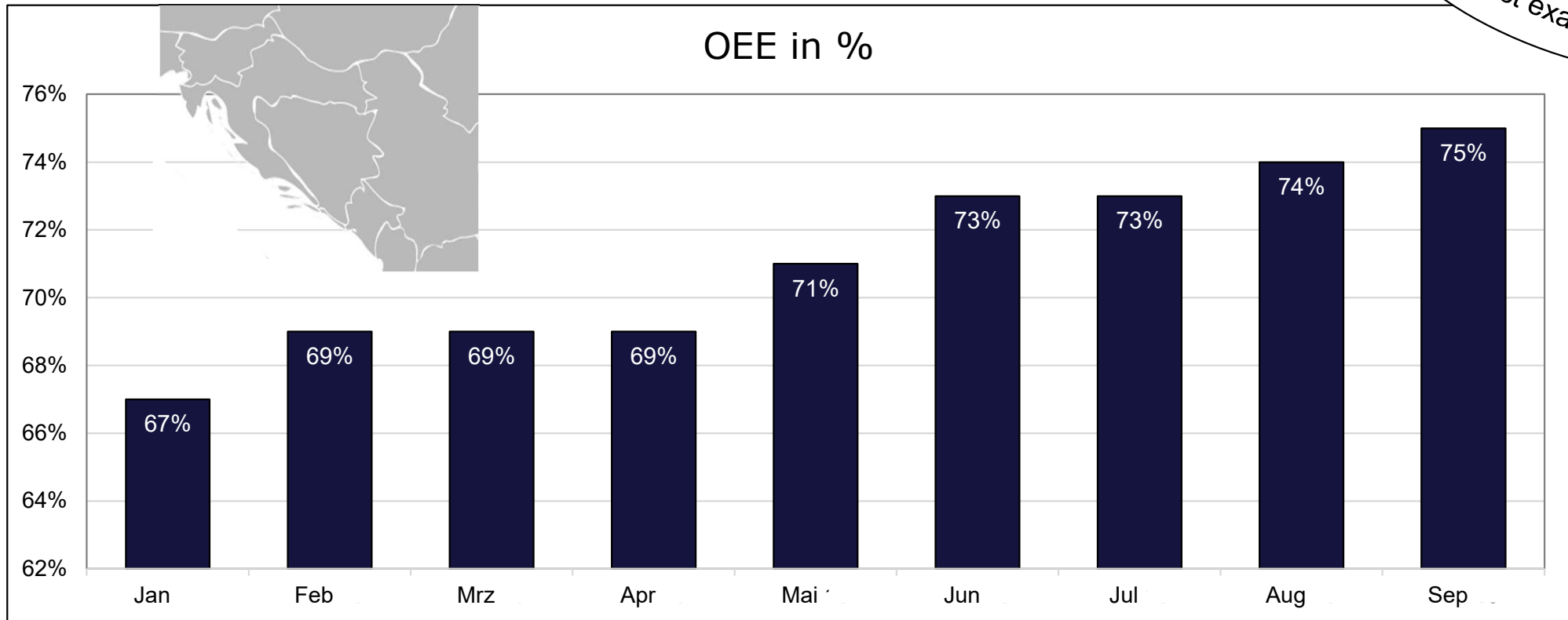
- Supplier management
- Sourcing potential
- Management of material groups
- Supplier risk management
- Purchasing-co-operations
- Optimisation of purchasing process and -structures
- Purchasing initiatives
- Purchasing controlling

- Site planning/ -relocation
- Site safeguarding/ competitiveness/ optimisation of layout
- Adjustment of real net output ratio
- Production and logistics network
- Stock management
- Flexibility of workforce
- Optimisation of processes
- Controlling of supply chain

Source: Admetam

Productivity: Significant increase of the OEE across the Group

Project example

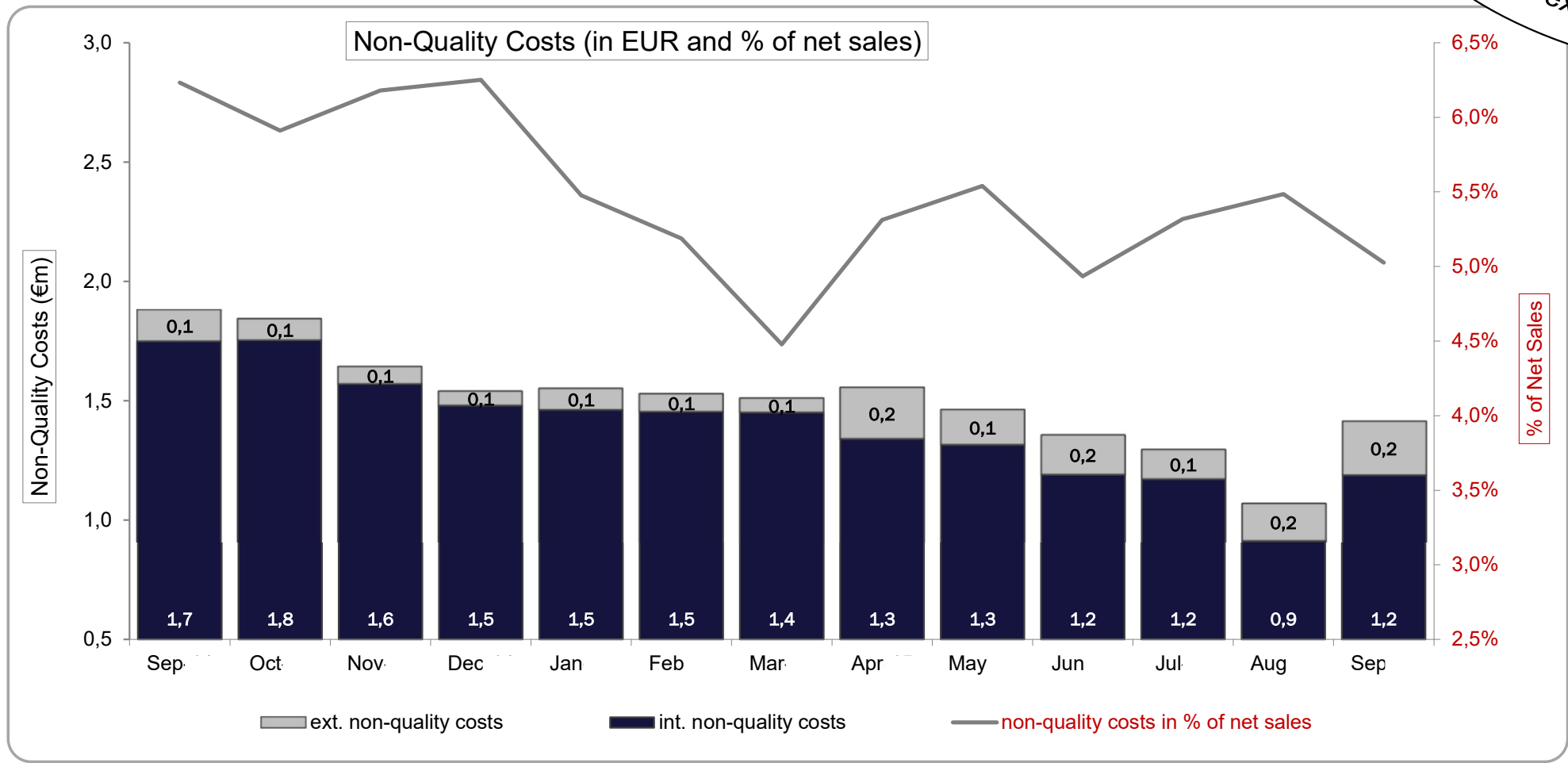


Overall Equipment Effectiveness (OEE):

- Within the scope of the project an initiative for the OEE improvement was started
- In all plants were action plans implemented, which were weekly tracked by the local plant teams and reported to the top management
- The main drivers for the improvements are:
 - Sharpening of the awareness of the plant management teams
 - Improvement of the preventive maintenance
 - Reduction of the scrap rates
 - Optimisation of the production processes

Significant reduction of the non-quality costs over entire Group

Project example

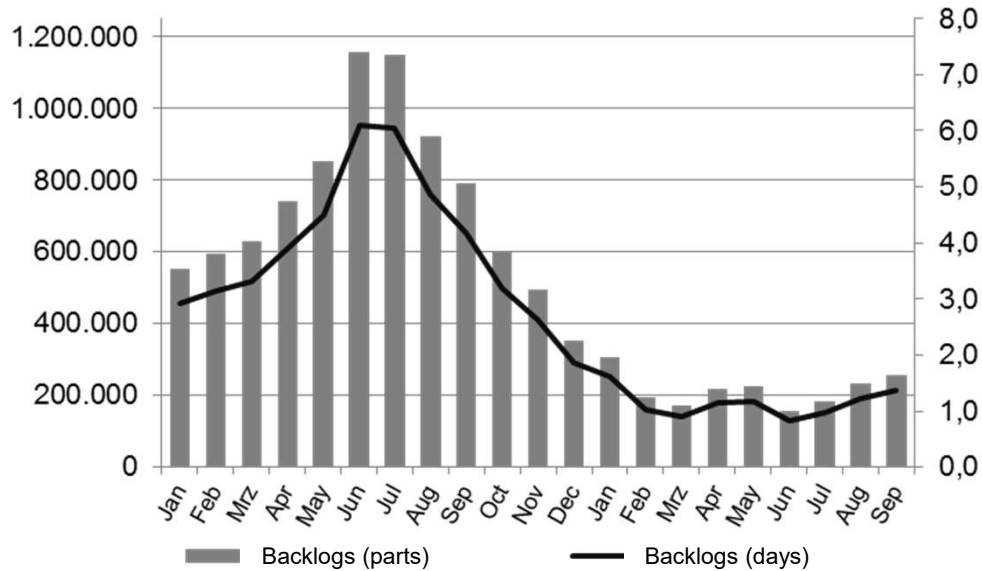


- Action Plans controlled by teams
- Continuous coordination of measurements
- Organisational measurements
- Shorter control circuits
- Measures accompanied by investments

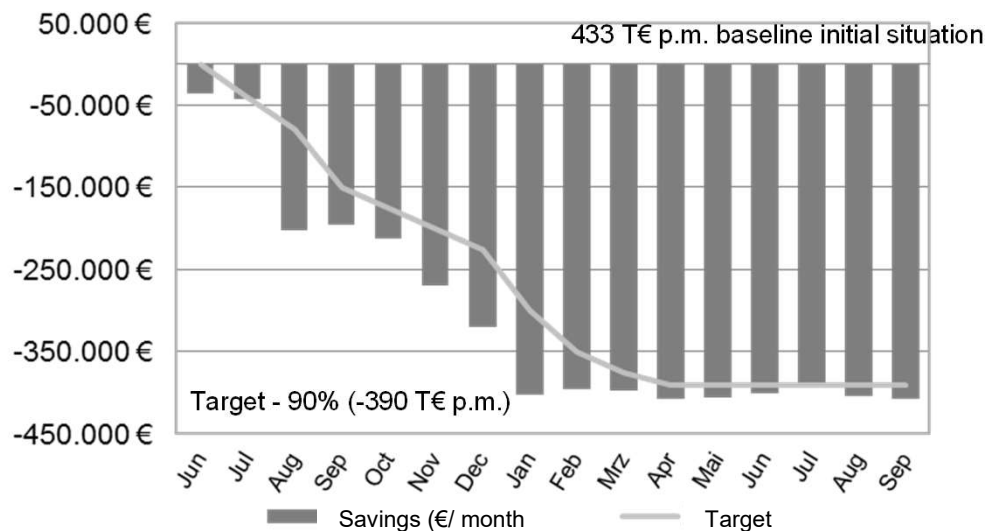
Source: Admetam

Reduction of backlogs and special transport costs

Delivery Backlogs



Monthly Savings on Premium Freights



Initial situation

- Existence-threatening delivery backlogs
- Special transport costs of millions
- Resident customer teams in the plants
- Equipment availability far too low, scrap issues and high employee fluctuation limiting the production output
- Freight costs not optimised

Situation 15 months later

- Delivery backlogs significantly reduced
- Monthly savings on special transports of ca. €400k
- Customer satisfaction recovered
- Weekly top management reporting implemented

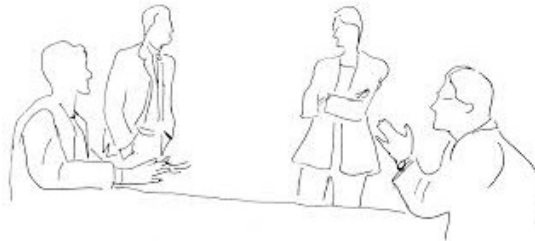
Savings: €4,9m in 12 months

Re-organisation planned in detail and consequently implemented

Re-organisation for approx. 18 months

Adjustment measures across all areas of the company:

- Sales/ engineering after reorganization and project pipeline
- Management by sustainability
- Direct production capacity according to plan
- Indirect after benchmarking
- Plant closures/ -sale



- Legal security
- Sound planning
- Negotiations concerning social compensation plan
- Steering communication process



ADMETAM-Publications

- We would like to have a formal presentation of the subject „Operational optimisation of an automotive supplier“

We are interested in other ADMETAM topics:

- Market-oriented restructuring
- Strategic realignment

Fax reply to: + 49 (0) 69 95932 5200

Address:

Company: _____

Name, first name: _____

Job title: _____

Postal code, city: _____

Phone: _____

Fax: _____

E-Mail: _____

ADMETAM Business Consultants GmbH

The Squire 12
Am Flughafen
D - 60549 Frankfurt/ Main

Phone: +49 (0) 69 95932 5028

Fax: +49 (0) 69 95932 5200

Mail: contact@admetam.com

Contact

Dr. Armin Mueller
Managing Partner
a.mueller@admetam.com

Dr. Manfred Puhlmann
Partner
m.puhlmann@admetam.com

Website: www.admetam.com