

PROJECT OVERVIEW

CHALLENGES:

- Rapid slump of global profitability
- Spare parts managed as a separate business
- Company under severe performance pressure
- Purchasing organization not well integrated with R&D and manufacturing
- Marginal penetration of suppliers in low-cost countries

OBJECTIVES:

- To obtain significant savings on spare parts and indirects
- To build purchasing organization involvement in R&D processes
- To build skills within the purchasing organization

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Regenius divided our services into 2 separate and independent sub-programs addressing different aspects of the client's challenge:
- Spare Parts (14 months)
- Indirects (8 months)

ANALYSES APPLIED:

- Value Engineering / Value Analysis
- Best Of Benchmarking
- Product Benchmarking
- LPP
- Cost Driver Analysis

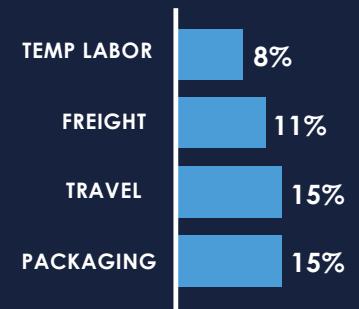
APPROACH / TOOLS:

- Developed detailed spending database
- Improved integration of suppliers into product development
- Conducted redesign-to-cost workshops with key vendors
- Found sourcing in low-cost countries

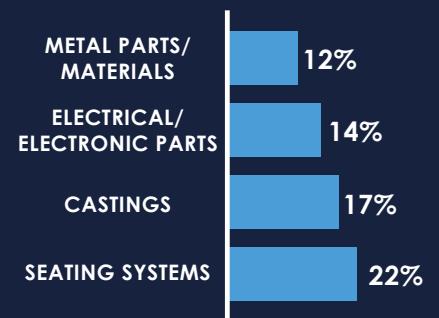
RESULTS

- € 108 million in savings in 14 months
- 14% overall savings

% SAVINGS IN INDIRECTS:



SAVINGS IN SPARE PARTS:



ADDITIONAL BENEFITS:

- Integration of purchasing into R&D process
- Improved integration of key vendors
- Introduction of vendors in low-cost countries