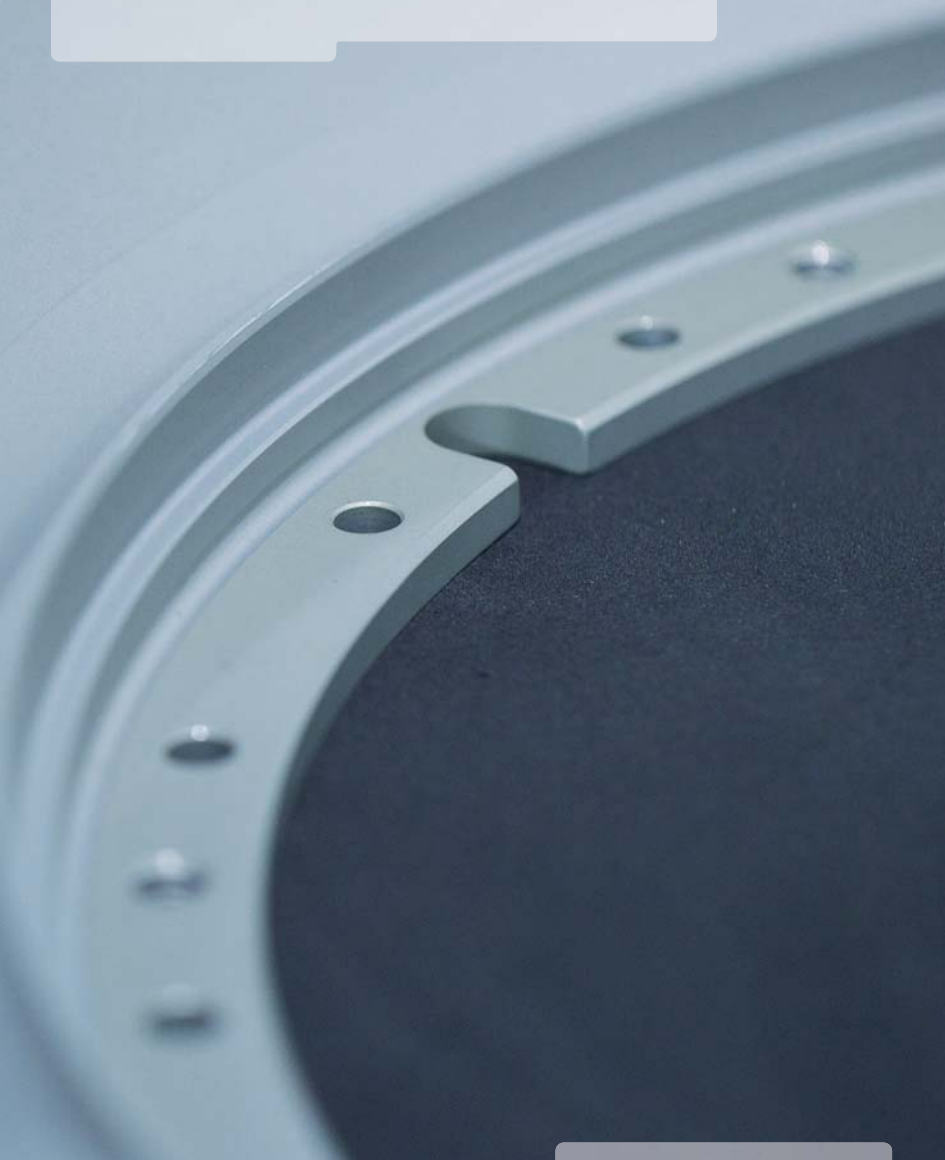




How to reduce assembly costs – 3rd party logistics



ThyssenKrupp Aerospace



ThyssenKrupp

The challenge



**optimize finished
parts flow**

The competitiveness of aerospace companies is increasingly determined by the efficient sourcing and flow of 3rd party components to the point of use.

3rd party component production and logistics, if not properly coordinated, can result in:

- Excess or unbalanced stock
- Incomplete kits
- Costly firefighting
- Wasted production time
- Increased production lead times
- Line stoppages

A worst case scenario could be that such problems actually delay the assembly of finished products.

The process...

- The Original Equipment Manufacturer (OEM) Procurement enters next day's parts requirements into EDI System. EDI pull signal is received from OEM and inputted into ThyssenKrupp Aerospace system.
- WMS system intelligence chooses the "pick path" for optimum efficiency and requirements are accessible via handheld devices.
- Operators pick parts in accordance with assigned "pick path".
- Parts are packaged to protect components.
- Parts are placed on line for one-piece flow (size allowing).
- Parts are assorted into assembly kits for point of use delivery at OEM.
- Parts and kits are loaded for daily shipments to OEM.
- Full online visibility of parts inventory and min/max levels.



...to a customized solution

ThyssenKrupp Aerospace has a reputation of experience in delivering material supply and 3rd party logistics solutions for finished parts to the world's leading aerospace companies.

The systems and processes we operate have been developed and tested over time and continue to prove their worth on a day-to-day basis.

In essence, we provide the following solution which is tailored to suit the individual needs of each customer:

- Consultation – to fully understand the exact situation and design a tailored solution.
- Project management – to plan and implement the agreed solution.
- Open systems – to communicate forward demand requirements, to provide easy access to inventory levels, and provide visibility for easy monitoring.
- Goods receipt inspection.
- Storage, picking, cutting, inspection and packing – located close to the customer.
- Delivery to the customer's point of use on a just-in-time basis.
- Key performance indicators (KPIs) – for monitoring and development of the process.
- Purchasing.
- Vendor management.
- Transportation.
- Customs report.
- Parts analysis.

All of the above elements can be combined to provide a complete "turnkey" solution. The following case study explains in detail how the above was agreed and implemented for one satisfied customer.



The case study

A leading aircraft manufacturer approached ThyssenKrupp Aerospace to set up a vendor managed inventory (VMI) system.

Together, the situation was investigated in great detail and it was concluded that a more robust solution could be provided by extending the scope of service to cover parts storage and kitting.

A joint project team designed a process using tried and proven systems and processes, developed by ThyssenKrupp Aerospace, as a basis with all the suppliers delivering their supply consignment stocks into a warehouse but having full visibility of material via a supply chain database.

The open online part tracking system enables the parts suppliers to check on their consigned finished parts stock and allows the customer to review the min/max stock position and the 3rd Party Suppliers delivery performance whenever wished. The digitization of documents leads to reduced use of paper and supports the “green initiative”.

ThyssenKrupp Aerospace established the warehouse near the customer’s assembly line to enable kits to be delivered to the customer on a just-in-time basis without logistical disruptions.

Key benefits

- Additional 4000 m² space freed up for customer’s core manufacturing activities.
- No production delays with 100% on-time delivery performance
- Elimination of lost parts
- Visibility of 2100 stockkeeping units (SKU) and their min/max level online
- Management and supply of a wide range of dissimilar products through a common process
- The development of kits to the point of use on a consistent basis
- Reduced cost
- Improve replenishment process
- Lab sampling
- Over €12 m throughput with less than €20,000 loss or damage
- Redeployment of customer’s receiving staff
- Improved outbound spares performance
- Electronic copies of source documents one click away

The success of the program has encouraged the customer to use the same approach at a new manufacturing site in another country with ThyssenKrupp Aerospace genuinely sharing the risk.



For a fast response please phone your nearest sales location:

Africa

Tunisia, Tunis +216 29 432 402

The Americas

Brazil, Taubaté +55 12 362 72300

Canada, Montreal +1 514 782 9500

Mexico, Querétaro +52 442 192 4089

USA, Hutchinson, KS +1 620 802 0900

USA, Indianapolis, IN +1 317 217 1560

USA, Seattle, WA +1 253 239 5700

Asia Pacific

Australia, Sydney +61 297 577 777

China, Shanghai +86 21 5665 5959

China, Xi'an +86 29 8665 8857

India, Bangalore +91 80 4040 7529

Taiwan, Taipei +886 87 8076 69

Europe

Belgium, Lokeren +32 9 348 49 21

Finland, Jämsänkoski +358 20 127 4400

France, Paris +33 1 30 69 67 00

Germany, Frankfurt +49 6104 648750

Netherlands, Venlo +31 77 324 9999

Poland, Warsaw +48 22 594 08 20

UK, Birmingham +44 121 335 5100



ThyssenKrupp Aerospace · Global Headquarters

Am Thyssenhaus 1 · 45128 Essen · Germany

rene.kloepper@thyssenkrupp.com

www.thyssenkruppaerospace.com