

## Transforming the working practices at 3 printing ink manufacturing plants

**Company Name:** Flint Group

**Location:** Germany, Spain, Italy

**Sector:** Manufacturing

**Function:** Production

**Business Challenges:**

Short-term cost reductions had been achieved but to be sustainable the supply chain had to improve

**Consulting Services:**

Performance Improvement, Change Management

**Capabilities:** Process

Excellence, Integrated Supply Chain

**Client Quote:**

*“Celerant achieved sustainable stock reductions for our company of approximately 30%. One year later these results have even been surpassed.”* Dirk Wollenweber, Director Operations, Sheetfed Europe

### Situation

Owned by CVC Capital Partners, Flint Group is one of the leading international suppliers of printing inks for the global packaging and print media industries. It currently employs 7,800 people and achieved its position as No.1 or No.2 in every region it supplies through several rounds of consolidation within the fragmented European printing ink industry.

Following the mergers, it decided on a double strategy of consolidation and centralisation. First, each production site was to concentrate on specific product lines to lower production costs and improve both quality and product availability. Second, tied-up capital was to be reduced across the whole operation.

### Approach & Delivery

To help drive these initiatives, Flint Group called in Celerant Consulting. The project focussed on reducing floating assets and production costs through the development of a new production and storage strategy. The levers for achieving this were the modification of operational and organisational processes, the introduction of sales and operation planning (S&OP) and a new manufacturing concept.

The catalyst for change was the introduction of Celerant's MCRS®. In addition, a new distribution concept was developed and the immediate implementation of the inventory/stock force meant that all stock could now be quickly checked. These changes were successfully implemented at all 3 sites and at the end of the project, various service level agreements were drawn up within the organisation and recorded in the supply chain manual.

The products were classified and, for the purpose of the new stockpiling concept, split into various categories. Items to be manufactured and stored were identified and optimised through a newly developed calculation model and a new forecasting process. Then, with a modified SAP module, new information was extracted on trends, seasonal variations and consumption levels. This was complemented by a systematic customer segmentation, which made it possible to obtain precise and prioritised data for production purposes.

### Results

- Stock reductions of approximately 30%
- Fixed costs considerably reduced
- New stockage strategy developed through implementing improved operating processes
- New distribution concept developed to supply products direct from production sites
- Stock turnover and warehouse capacity controlling system reorganised
- Responsibilities between Sales, Logistics and Production reorganised to maximise profitability
- Profitability through systematic customer segmentation optimised

### Client Satisfaction

*“It is quite evident that the results which have been posted today would never have been achieved without the help of Celerant. Furthermore, the sustainability of these solutions must be clearly acknowledged.”* Peter Baird, Head of Marketing, Flint Group, Sheetfed Europe