



INKING IN THE NEW STRATEGY

When Flint Group wanted to transform the working practices at its printing ink manufacturing plants in Stuttgart, Milan and Barcelona, Celerant Consulting was given a blank sheet of paper.



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.

3 Sites. 2 Tasks. 1 Consultancy.

For its Sheet Offset Printing Inks operation, Flint Group combined several strong brands to form the Sheetfed Europe Division, with its 3 most important production sites in Stuttgart, Milan and Barcelona. Following the mergers, Flint Sheetfed Europe 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. To help drive both these initiatives, Celerant Consulting was called in.

A Double Whammy

Celerant's analysis showed that both the large product portfolio and the high level of product variations were having a negative impact on the stock situation. Short-term reductions in costs had been achieved by consolidation, but



'Celerant achieved sustainable stock reductions for our company of approximately 30%. One year later these results have even been surpassed.'

Dirk Wollenweber, Director of Operations, Sheetfed Europe

they necessitated adjustments of the supply chain and supply concept. At the same time demands on the management of tied-up capital were increasing. So the project focused on reducing floating assets and production costs through the development of a new production and stockage 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

The catalyst for change was the introduction of Celerant's MCRS®. Its indices were developed jointly with Sheetfed Europe's management and geared to the new manufacturing concept. 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 (SLA) were drawn up within the organisation and recorded in the supply chain manual.

New methods brought new information

To maximise Sales & Operational Planning, the products were classified and, for the purposes of the new stockpiling concept, split into various

categories. Items that were to be manufactured and stored (SKU) were identified and optimised through a newly developed calculation model and a new forecasting (FC) process. Then, with the aid of a modified SAP module, new information was extracted on trends, seasonal variations and consumption patterns. This was complemented by a systematic customer segmentation, which made it possible to obtain further precise and prioritised data for production purposes. ■

STRIKING RESULTS

- STOCK REDUCTIONS OF APPROX 30%.
- FIXED COSTS REDUCED CONSIDERABLY.
- 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.
- New system parameter model for stock control developed and programmed
- New forecasting process to match new Sales & Marketing structure developed
- Profitability through systematic customer segmentation optimised
- Balanced score card to monitor and continuously improve S&OP process introduced

