

CASES STUDY: Sourcing of goods

DELIVERING STEP-CHANGE SUPPLY CHAIN TRANSFORMATION

Background:

TVS Supply Chain Solutions is a global organization that provides supply chain management solutions. We focus our activity on sectors as demanding as automotive, distribution, industrial, beverages, utilities and the army.

We focus on solving the logistics challenges of our customers with the aim of reducing operating costs and improving the efficiency of their supply and/or distribution chains.

Challenge:

Today manufacturing companies face a very changing and competitive market. Proper purchasing management is essential when it comes to cost management and procurement in order to compete in these markets. During the last three years from TVS we have helped one of our clients (A manufacturer of pumping systems) to implement a purchasing strategy with the aim of reducing their direct costs and making their working capital more flexible. The main milestones of the project have been the "sourcing" of a portfolio of products (€ 10M) with the aim of reducing the purchase cost by 10%, reducing operating costs by centralizing the supply in a single supplier (TVS) with the aim of making this function more flexible and optimizing its raw material inventories, lowering them from two months to a week of inventory. All of the above has led to greater profitability and financial capacity for our client.

The TVS SCS Solution:

- Tailor-made solution to meet the needs of the client.
- Development of purchasing strategy (suppliers and procurement)
- Development of national and international suppliers (China, India etc)
- Optimisation of the "single Window" provisioning function
- Inventory Planning based on productive needs (Demand Planning) and lead time suppliers
- Integration with client systems

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Customer Benefits:



Development of sourcing strategy without investment



Improvement by 10% of the purchase costs incurred



Development of internal suppliers without investment in purchasing staff



Reduction of structural costs for procurement



Reduction and optimisation of the company's working capital



Improvement of the flow of information for correct decision making