

Abstract

“Rotating stock optimisation”

Area

Logistics, warehouse logistics

Keywords

Warehouse logistics, warehousing, inventory management, process management, value management, value chain, rotating stock, working capital, capital tie-up, liquidity, space optimisation, process optimisation, delivery performance

Study/project

Project

Starting point/project assignment/objective

The vertical B2B retailer in the automotive and DIY sectors was battling with very high stock levels while delivery performance also required improvement. The actual level of stock was unknown. Likewise, the delivery performance of the plants/national distributors to customers differed greatly.

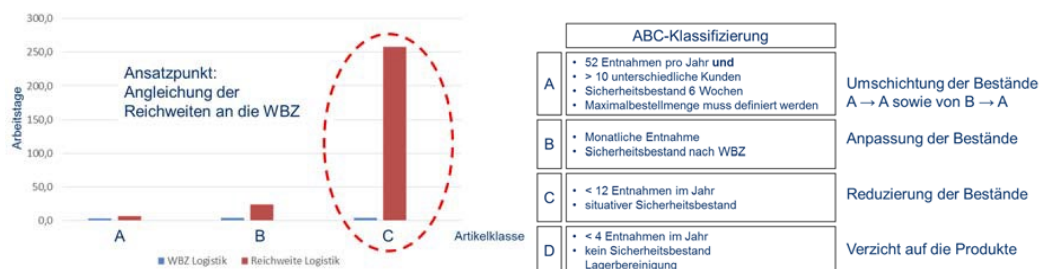
The determination of the country-specific stock level and structure based on the existing data was the starting point for the project. The actual situation at each site had to be assessed and indicated. Approaches to improving the overall situation then had to be developed, potential savings identified and a possible implementation shown.

The objective was to identify approaches to a sustainable reduction in physical stock at the defined sites and improve the delivery performance to customers as well as determine and evaluate the cost effects.

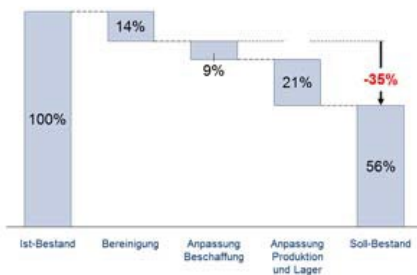
Procedure

- Evaluation of the current situation at each site based on the data
- Development of scenarios and their assessment
- Derivation of recommended actions
- Indication of the cost and performance effects

Results/findings



Potential assessment



Actual effects

- More than 40% stock reduction
- Significant improvement in delivery performance to more than 96% on average
- Significant reduction in process costs, especially order-picking costs

Requirements:

1. Introduction of supplier management
2. Introduction of product management
3. Adjustment of the ABC classification
4. Adjustment of the stocking strategy
5. Segmentation of storage areas
6. Optimisation of storage processes
7. Production segmentation
8. Introduction of an order-picking concept
9. Acceleration of order handling
10. Implementation of individual measures

Contact:

Prof. Dr. Stefan Rock

+49 (0)841 9348 7370

stefan.rock@thi.de