

DeLaval has over 125 years of innovation and experience in the dairy business, supporting dairy farmers in managing their farms their way. The Sustainable Dairy Farming initiative is contributing to the production of more quality food, for more people, with less impact on the environment. The Smart Farming strategy aims at influencing and shaping the future of dairy farming today. The goal is to accelerate the transition from milking management to global farm profitability management by harnessing emerging decision tools and automation technologies for better quality milk and profits.

CHALLENGES

- Purchasing and parts movement were not recorded in SAP
- Lead times between plants confused the overall lead times
- Inventory accuracy was questionable and incorrect
- Excess working capital tied up in inventory
- Stock-outs created customer dissatisfaction and lost sales
- Inventory averages were higher than needed creating large amounts of dead stock
- Customer service levels were challenged due to stock-outs and unreliable lead times
- Lack of trust in system caused high manual activity
- Business rules and master data did not align with current procurement functions
- Inaccuracies in forecasts due to a rapidly changing marketplace
- Challenging internal workaround for internal Stock Transport Orders
- Improper use of Safety Stock as a reorder point

SOLUTIONS

- Reveal oVo® in Germany followed by oVo® in the USA
- Education on specific areas along the supply chain, with a focus on information maturity within the system
- One-on-one sessions with management and executives high priority materials
- Data groups and priorities set within the supply chain, targeting low hanging fruit
- Implemented new MRP strategies and analysis methods to drive inventories down
- Assistance in setting KPI's and aligning with strategic business performance measures
- Adjusted Reorder Point and Safety Stock improving customer service

BENEFITS

- Inventory reduction of 20%
- Reduction in exceptions of over 65%
- Overdue Elements down over 50%
- Customer Service measurement implemented
- Simplification and standardization of procurement process
- Alignment of KPI's to business objectives

