



COST CENTER DELIVERY

POTENTIAL SAVINGS THROUGH COST CENTER DELIVERY

INITIAL SITUATION

A cost block within procurement that is difficult to quantify in euros is the collection and internal forwarding of C-parts deliveries. However, 7,200 deliveries from 700 different suppliers tie up personnel capacities in incoming goods and logistics. Usually, suppliers send their products to the incoming goods department. Due to a lack of space, capacity bottlenecks, or incorrect information, it is not uncommon for the goods ordered to arrive at the consumers with a delay. Under certain circumstances, this leads to material bottlenecks and also to resentment among customers.

In a suitable concept, Lingemann brings the order to the user.

ANALYSIS BY LINGEMANN

In 2011 a customer commissioned us for their headquarters in southern Germany, which develops and produces surface-refined components, primarily for the automotive industry. So far, approximately 1,400 employees have taken care of themselves. All logistical tasks were carried out by our staff. However, due to the strong growth and the construction of new production halls, the supply was becoming more and more time-consuming. The effort for checking and booking incoming goods, the transport of the delivered items to various storage locations, and the removal processes increased continuously. This also applied

to all administrative activities, such as purchasing, scheduling, controlling, and accounting.

“**ALL ORDERS FOR GOODS IN STOCK THAT LINGEMANN RECEIVES ARE USUALLY DELIVERED TWICE A DAY BY THE LINGEMANN SERVICE.**”

IMPLEMENTATION

The central approach of the new delivery strategy is the use of Lingemann as a system supplier. We are not only responsible for the delivery of non-production items from various product groups but also developed the entire supply strategy in cooperation with our customers. Lingemann set up a central warehouse near the company headquarters and stocked it with the customer-specific, high-turning items in sufficient quantities at the start of the project. In

the beginning, this essentially comprised goods from the areas of personal protective equipment (PPE), hand tools, and operational resource hygiene. Gradually, more and more articles from a wide variety of product groups were integrated. The listed items were dispatched via Lingemann from the start of the project. Thanks to the permanent optimization of the warehouse key figures, it was possible to quickly transfer the needs assessment into an automated process.

OPERATION AND ONGOING OPTIMIZATION

The integrated measures mean that our customer's employees only have to remove goods from the warehouse independently in exceptional ca-

ses. To make this possible, a binding, the daily delivery rhythm was installed. All orders for goods in stock that Lingemann receives are usually delivered twice a day by the Lingemann service. Employees can order directly via an electronic order platform, taking into account budgeting and the downstream approval workflow. The order is then automatically created in the customer's ERP via an interface. The delivery always takes place up to the cost center and thus goes seamlessly to the employee. As part of the tours, articles that do not have a regularly recurring character, i.e. also single-use articles, are also delivered. These are ordered on demand from the Lingemann headquarters and sent to the local depot. Processes such as the upstream incoming goods inspection are therefore carried out by Lingemann. A final check concerning proper order fulfillment is carried out directly by the customer's goods recipient, without the employees from incoming goods or logistics having to deal with the processes beforehand.

MESSBARER ERFOLG

Compared to the traditional workflow, our customer saves many process steps, such as incoming goods routines, disposition, and internal goods traffic, without losing control over the range, the manufacturer, or the prices. The finance department no longer has to post countless invoices every month but receives a corresponding pre-paid collective invoice in the agreed data format. Also, our customers are provided with a monthly report that provides a detailed overview of consumption, cost centers, and departments according to customer-specific design.

CONTACT

Are you interested in which support we can offer you for your business? Contact us for a non-binding consultation, we will be happy to advise you!

service@lingemann.com
www.lingemann.com

Lingemann GmbH, Immendorfer Str. 2, D-50321 Brühl
Phone: +49 (0) 2232/500 350

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