alpegaTMS

Case Study

OEM

OEM ACHIEVES TRANSPARENCY AND REDUCES COST WITH ALPEGA TMS REUSABLE PACKAGING MANAGEMENT SOLUTION

ORGANIZATION

OEM

INDUSTRY

Automotive transport

Case Study
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Industry
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As part of our customer‘s packaging supply planning, the Reusable Packaging Management solution ensures maximum supply security at the lowest possible costs. Acting as centralized instance it supports all operational aspects of empties supply across multiple plants.

Providing suppliers optimally with suitable containers has long been a challenge for many companies in the automotive industry. For one of our automotive customers it was **virtually impossible to obtain an overview of the containers actually required** due to its rapid growth and lack of connectivity between the individual plants. As a result, often too many or too few containers were scheduled. This in turn resulted in high costs and significant administrative efforts.

SOLUTION

With the introduction of the Alpega TMS solution the customer also switched to a **web-based ordering process (pull principle)**. Suppliers are able to access the system directly online themselves, meaning now containers are only delivered based on actual demand. This results in a **significantly lower packaging stock level**. In addition to increasing the transparency of packaging stocks, minimizing the tremendous coordination efforts between plants and suppliers through a simple, **web-based supplier integration** was of major importance to the automotive player. Managing processes via the Alpega TMS platform has replaced former **communications channels** such as faxes, email and phone calls. Now all supply chain partners can access real-time data online and directly interact with one another.

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Reusable Packaging Management enables **centralized controlling and container scheduling** on the one hand and process execution on-site on the other. The previous system only offered a local overview of the individual plants. Today, Alpega TMS solution has created a transparent empty container network across all of the production sites and logistics centers in Europe. From an operations perspective, this renders the frequent multiple entries made until now obsolete, because information on goods receipt is imported from SAP and goods issue data is transferred from container scheduling.

BENEFITS

Due to the introduction of the new software solution and the newly obtained transparency, packaging stocks were reduced to the amount actually required. **This makes commitment of capital in unnecessary safety stock** a thing of the past. Moreover, web-based supplier integration increases the transparency and availability of information on stocks within the network. The new ordering process enables improved, system-supported container scheduling along with the ability to delegate orders to other plants.

Suppliers gain **transparency** across all bookings that affect the empty container process, as well as support for their own c**ontainer demands planning** via an online stock forecast. Now an optimum supply of containers is guaranteed throughout the entire network. Access to a consolidated database furthermore allows **optimal planning** of supplier **delivery frequency** and **inventory range**. Yet another advantage: **Orders, claims** and even **stock taking** are all processed in one **single, integrated system.** Frictionless interaction results in fewer errors and simplified, system-supported processes help reduce effort.

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REUSABLE PACKAGING MANAGEMENT

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/ ALL MOVEMENTS IN ONE SYSTEM
/ GLOBAL VISIBILITY
/ REPORTS AND ANALYSES
/ AUDIT-COMPLIANT REUSABLE PACKAGING MANAGEMENT
/ WEB-BASED INFORMATION
/ USAGE-BASED FEE SETTLEMENT
/ INVENTORY MANAGEMENT WITH/WITHOUT SERIAL NUMBER
/ INDIVIDUAL SCALABILITY

FOLLOW-UP PROJECT: USAGE-BASED CONTAINER FEE SETTLEMENT

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Motivated by the successful introduction of a central reusable packaging management system, a second project was soon initiated. This was necessary because although it was now clear where each of the almost one thousand containers was in the network, many suppliers still kept containers in their locations for too long. This continuously lead to enormous costs for our customer. Therefore, a usage-based settlement procedure was introduced in a follow-up project.

THE CHALLENGES

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Until then, the Original Equipment Manufacturer (OEM) supplied its suppliers with empty containers for the delivery of automotive parts free of charge. Once the containers had reached

ALPEGA'S SOLUTION

In a first step, it was defined which supplier can use the different types of containers for how long. If a container arrives now at a plant of the OEM, the stored logic automatically calculates if the period free of charge was exceeded and by how much. In a next step, a bill is automatically created that accounts for the delay and the resulting costs through an interface to SAP. In this way, the OEM can now claim costs instead of quantities in a simple and automated way.

the supplier, our customer depended on the benevolence and reliability of the respective suppliers in order to get back the containers at some point. Many containers were in fact stored for too long at the suppliers. In order to not jeopardize production, the customer had to buy more containers (valuing sometimes up to 1000 €), although enough were already in circulation theoretically. Considering the more than 1400 suppliers in Europe alone, enormous costs can quickly incur, even if only a small proportion of suppliers returns the empties late.

YOUR BENEFITS

After all 1400 European suppliers were onboarded in only one day and consequently settlements could be made, the on-time delivery performance of the suppliers increased rapidly. The supply of containers improved, fewer containers had to be purchased and the administrative effort was significantly reduced. Yet, even the project team itself was surprised how quickly the 100% ROI of the project was achieved. In just one month after the feature was introduced, the entire project costs were recovered.

Orders, claims and even inventory taking are all processed in a single, integrated system. Frictionless interaction results in fewer errors and simplified, processes help reduce expenditure.

alpega
Shaping Transport Collaboration

ABOUT ALPEGA TMS

Alpega TMS is a modular, end-to-end Transportation Management System (TMS) for shippers that brings together more than 30 years of expertise from both Alpega TMS and Transwide. Our software empowers transportation professionals to manage their logistics and supply chain processes, thanks to the latest in transportation technology. Alpega TMS' 100,000+ users leverage a network of 80,000+ carriers across 5,000 shipping locations to handle more than 30 million transport orders each year. Our cloud-based TMS software is easy to use, and it was created in collaboration with shippers, carriers, and logistics service providers. It is flexible and scalable, and it can transform global and local supply chains into collaborative ecosystems.

Alpega TMS is part of the Alpega Group, a leading global logistics software company offering modular solutions that cover the transportation and logistics needs of shippers and carriers across all levels of complexity. Alpega is present in 80 countries worldwide and employs over 500 people with 31 different nationalities.

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