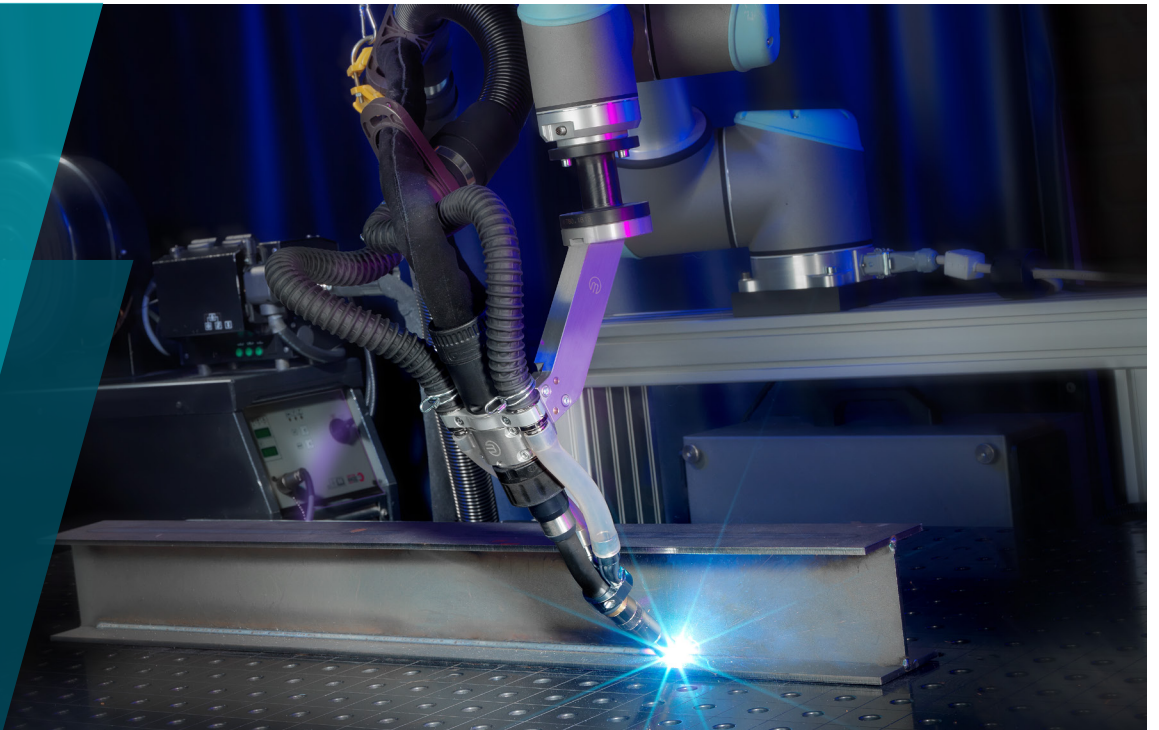


SUCCESS STORY



Inventory Optimization and Demand Planning

Intelligent Logistics IT at ABICOR BINZEL

The Alexander Binzel Schweisstechnik GmbH & Co. KG offers high-quality, efficient, and innovative solutions at 35 locations worldwide for various applications using welding and cutting technology. As the different sized subsidiary companies plan differently, the company has set itself the goal of automated inventory planning across its entire network.

With the optimization specialist INFORM in Aachen and the ADD*ONE software, their worldwide scheduling was brought to centralization. Inventory reductions of 20% and a simultaneous service level increase have been recorded as the first successes.

The Alexander Binzel Schweisstechnik GmbH & Co. KG under the umbrella brand ABICOR BINZEL is an internationally leading specialist and technology developer for welding and cutting technology. About 1200 employees work at 35 sales and production locations of various sizes ranging from five to 500 employees worldwide. The business of the welding technology provider, which is one of the world's leading suppliers in this sector worldwide, is controlled from Buseck near Giessen, Germany. Around 30,000 articles are available every day for the production of equipment for semi- and fully-automated welding processes as well as an extensive range of accessories.

Challenges:

- 35 different subsidiary companies with five to 500 employees
- As many as ten different ERP systems
- Static planning at corporate headquarters.



Jens Nebeling
Head of central planning

Overview of inventories at All Sites Desired

More than ten different ERP systems are in use at ABICOR BINZEL's 35 locations worldwide. The planning at the headquarter in Gießen was partly done outside the ERP system before the integration of ADD*ONE. This static solution was based on a variant of Access and was not very flexible and quite faulty. The subsidiary companies were planning autonomously at each location, resulting in a lack of an overview of the entire stock of the group. *"We had enough stock, but it was in the wrong place,"* summarizes Jens Nebeling, head of central planning. With ADD*ONE, the company in Giessen decided to use an intelligent add-on software for inventory optimization, which integrates forecasting, planning, and strategy into a single process. ADD*ONE Sales Planning supports the strategy of the transaction systems. The modular software is scalable and individually covers the requirements of ABICOR Binzel. The rolling sales planning brings decisive advantages in support of decision-making. Understandable workflows and clear graphics provide valuable decision-making aids and ensure maximum transparency.

Using Around 10 ERP Systems

Considering the extensive system structure within the group of companies, the first question was whether a standardized ERP system needed to be introduced first in order to achieve transparency of the worldwide inventory planning. However, with ADD*ONE, this extremely complex IT effort could be saved because the software could be easily connected to any system via interfaces. *"We are glad that we chose this order,"* said Philip Röhrig, Global Supply Chain Manager at the welding specialist. *"The transparency, we have gained from ADD*ONE will make it easier for us to make a possible future selection of a standardized ERP system."*

Integration Process with Partner at Eye Level

The integration process has shown that the decision in favor of INFORM as a *"partner at eye level"* was absolutely right. The actual situation was discussed in intensive discussions, and the implementation progressed quickly. Five out of seven production locations and 20 sales companies have been integrated just two years after the start. *"We already have released more than 20,000 orders in ADD*ONE. It has been shown that the very detailed selection process on our part has brought the desired results and that we have chosen the right software from the right partner with ADD*ONE Inventory Optimization,"* summarizes the head of the central planning department. Due to the different sizes of the companies worldwide, the know-how of the planners is highly differentiated. At locations with only a few employees, the dispatching is done in addition to many other tasks. Therefore, the intuitive interface of the software is very important. *"I like to remember back to a visit to INFORM in Aachen, where a colleague from planning was waiting for me, and within an hour, I have already learned the basics of the system by using a demo version,"* Jens Nebeling recounts with a smile.

Rethinking Is Necessary

Of course, there were some initial worries on the part of the employees since the use of the software also entails changes in the planning processes. *"The way of thinking of the planners had to change,"* Nebeling recalls of the integration period. *"Because from now on, human expertise and the algorithmically calculated planning suggestions go hand in hand."* At the same time, he is pleased that most of the worries have now been overcome and colleagues are successfully planning with the software. By rethinking and using the software cleverly, every planner in the head office can process 20 to 30% more articles in the same time as before using ADD*ONE.

Results

- 20% inventory reduction
- Increased service levels
- Productivity increases per planner of 20 – 30%
- More than 20,000 orders released in ADD*ONE

ADD*ONE Sales Planning and Automatic Planning Worldwide

The first steps to continue optimizing the supply chain have already been taken. Two years after the inventory optimization, ADD*ONE sales planning has now been integrated. *"We are also taking the necessary time for the integration, to then be able to take the next step to automatic planning and worldwide network"*



Philip Röhrig
Global Supply Chain Manager

Goods

- Insight into decentralized warehouses with the prospect of centralized planning;
- Integration of sales planning;
- Automatic planning with worldwide network planning

planning without any risk," explains Philip Röhrig.

Thanks to end-to-end transparency, inventories could be reduced by 2%. The step towards central control from the head office is available now and can relieve the smaller locations in particular. *"However, transparency has also shown us further potential outside of planning, which no one had previously on their radar,"* recalls Jens Nebeling. *"Master data errors could be identified and eliminated, and thanks to better coordination across locations, we were able to reduce our transport costs."* The transparently recorded data is very valuable for the colleagues in controlling, and Philip Röhrig and Jens Nebeling gladly answer inquiries about analyses from ADD*ONE.



In case you want to learn more, we will be happy to hear from you:

INFORM GmbH / Inventory & Supply Chain

Pascalstr. 35, 52076 Aachen

addone@inform-software.com / www.addone.de