

Transparency of B2B communications improves service levels and reduces inventory

CASE STUDY: ALSTOM TRANSPORT

In order to reduce inventory stocks and improve overall service levels Alstom Transport implemented Wesupply's On Demand Supply Chain Management Solution to provide increased visibility and control through internal collaboration across its manufacturing sites. This involved integrating the plants through the complete build and supply planning process, and the management of fulfilment execution across the entire organisation, resulting in overall improved communication and trust between the manufacturing sites.

BACKGROUND AND CHALLENGES

A promoter of sustainable mobility, Alstom Transport is the leading developer of the most complete range of systems, equipment and service in the railway market.

With a market share of 18% and sales of 5.3 billion euros, the company is no. 1 in the high and very high speed train sector and ranks second worldwide in the urban transport market, regional trains, signalling, infrastructure equipment and all associated services.

With manufacturing distributed across more than twenty individual sites world wide, Alstom Transport was




challenged with a lack of visibility and synchronisation of its inter-site flows. Despite standardisation efforts provided in order to deploy common supply chain processes the sites were still functioning as separate entities.

Consequently, an environment lacking in confidence between suppliers and customer sites was formed, resulting in inefficient processes being undertaken on a daily basis.

“As the quality of expressed need requirements was poor, sites tended to stabilise their production for long periods of time.” Explained **Annie Saillard**, Supply Chain Director, Alstom Transport. *“On the other hand each of our internal customer plants was adding extra days to their expected lead times due to low confidence in supplier delivery performances.”*

Alstom Transport was facing inconsistent and unreliable inter-site service levels at below 70%, leading to high levels of safety stock. Consequently, this unmanaged buffer level resulted in unnecessary inventory costs and a highly inflexible relationship between the suppliers, impacting on the organisation's activities and costs as a whole.

THE SOLUTION

As the Supply Chain Director, Annie Saillard is responsible for supply chain performance across Alstom Transport, particularly in the area of rolling stock and components manufacturing and therefore recognised the need to synchronise disparate systems and improve collaboration between the manufacturing sites to gain control and visibility of inventory. Planning and execution needed to be better synchronised in order to reduce time to market and enhance internal flexibility.

Wesupply provided Alstom Transport with an On Demand Supply Chain Management Solution to provide a single, unbiased view across their entire internal supply chain.

The rapid implementation of Wesupply's underlying technology solution integrated Alstom Transport's multiple plants throughout the complete build and supply planning process and the management of fulfillment execution across the entire organisation. Elyka, the niche consulting player in supply chain management and collaboration, helped Alstom Transport in defining the suitable collaborative processes to be implemented between the sites, and the process of selecting a solution. Elyka then worked with Alstom Transport to fine tune the application.

*"The internal collaboration across our sites facilitates an improved trusting relationship, enabling improved control of scheduling and fulfillment, whilst providing a real-time global view of our business from any location." Stated **Annie Saillard**, Supply Chain Director, Alstom Transport.*

Alstom Transport is now easily exchanging orders and commitments between their internal plants, whilst

seamlessly leveraging, and integrating with the SAP system already in place across the organisation.

*"The use of Wesupply's On Demand Supply Chain Management solution at Alstom Transport will enable full collaborative control of their internal supply chain." Commented **Robert Godfrey**, VP Global Sales, Wesupply. "It will deliver visibility, flexibility and result in greater confidence and management across business processes, which is critical with the growing complexity of technical solutions and infrastructure projects placed by increasing customer demands."*

INTELLIGENT BENEFITS

Since Wesupply's On Demand Supply Chain Management solution was implemented in May 2006, Alstom Transport have realised significant business value resulting from new collaborative business process including:

- Increased transparency in communication between sites
- Improved confidence and trust in inter-site relationships
- Improved priority management at supplier sites
- Reduced intermediate and finished stock for suppliers due to improved visibility of customer needs
- Reduced safety stock for customers due to improved confidence in supplier commitments
- Significantly improved inter-site service levels from 70% to 90% in 16 months.

VIEWPOINT

"The key to enabling innovative and flexible business processes lies in the ability to collaborate, both internally and externally across your supply chain. The Wesupply solution has delivered an environment of confidence across our plants which can grow and develop with the organisation and the demands of the market."

Annie Saillard, Supply Chain Director,
Alstom Transport