

Project final report

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Employment with the company:
xxx GmbH

Job title: Stabilisation of purchasing / bottleneck management

Period: 12/2022 - 07/2023

Supervising Director: xxx

Report date: 08/2023

Stabilisation of purchasing / bottleneck management at xxx GmbH in Germany

- Cost avoidance of around EUR 0.7 million
- Only around EUR 0.5 million in new price increases for 2023
- Stopped the increase in inventories amounting to around EUR 2 million per month from 2022 to 2023



Company details

- Part of the xxx Group for producing fire protection and security systems
- Turnover in the Group is around EUR 200 million, with a purchasing volume of around EUR 150 million
- 5 locations in Germany with approx. 1,000 FTEs, of which approx. 500 FTEs at the named GmbH



Situation and challenge

- Catastrophic initial situation in purchasing (legacy, day-to-day business and immediate measures)
- Immediate measures defined at the end of 2022 for organisation, procurement and current assets for 2023
- No fundamental basis for processes, people and systems available



Objectives and tasks

- Substitution of the Director Procurement, who was made redundant in November 2022 (approx. 50 FTEs for strategic, operational and project purchasing, as well as goods receipt and incoming goods inspection)
- Stabilisation of purchasing with regard to legacy and day-to-day business
- Implementation of immediate measures and annual targets for 2023



Measures and procedure

- Substitution of the Division Manager
- Immediate action to develop and introduce a new procurement organisation
- Immediate measure for coaching and concept to reduce inventories
- Procurement optimisation measures (annual targets for 2023)



Results and successes

- Immediate full substitution without operational disruption (e.g. certification audit, etc.)
- Full conceptual development including implementation by the end of the assignment
- Immediate reversal of the trend in 2022 to increase the inventories in 2023 by the end of the assignment
- Project management and coaching (e.g. EDI, procurement systems, batches & best before dates, traceability, etc.)