



Bosch enhances 'On Time Delivery' spare parts

A practical and fact based approach to realizing quick improvements

The Bosch Business Unit Packaging delivers advanced packaging machines. These machines form a part of its clients' production line. Therefore, reliability and availability are of great importance. It is therefore not surprising that Bosch takes many initiatives to continuously improve the service. A recent initiative concerned the On Time Delivery (OTD) of spare parts. In cooperation with Gordian, Bosch performed a detailed data and process analysis, resulting in an On Time Delivery increase from 85% to 98%.

Looking for improvement potential

On Time Delivery is about reliability: how often do you, as a spare part supplier, do what you promised? Scoring a high OTD sounds simple, but it is not easy at all. There are several reasons for this. First, the OTD is a real 'chain KPI', and therefore the product of the achievements of different elements: procurement, inventory management, production, sales, and the warehousing process. Second – and this is typical for spare parts – there is an overlap between parts that Bosch sells and parts they use for the production of new machines. In short, looking for realistic improvement options in this complex arena is, to put it mildly, a real challenge.



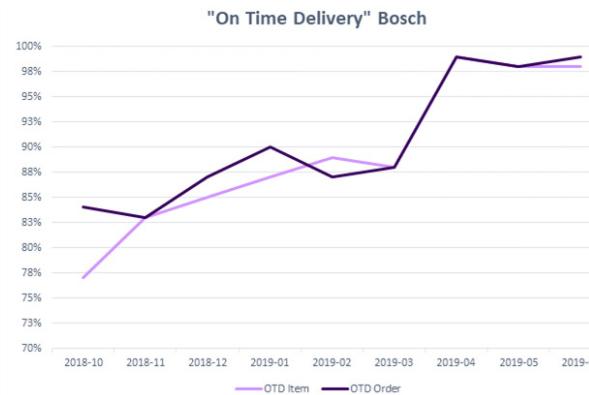
More extensive research into areas of improvement

That is why the Executive Board of Bosch decided to conduct a "fact based" study into the areas that impact the OTD the most. Bosch cooperated with Gordian in this research. Via a detailed data and process analysis, we indeed identified the process flaws that really hurt the OTD. A good implementation of SAP was quite helpful in this. Also we frequently organised workshops to validate and refine the results. Moreover we made a joint action plan to really increase the OTD.



Result through effective intervention

The result of this in-depth analysis was that the outbound spares delivery process yielded the most improvement potential. We did not expect that result in advance. Earlier we expected the problem would be more in the complex parts of the supply chain. For instance, in the relationship between spare part sales and spare parts production. After decisively intervening in the delivery process, the OTD visibly increased.



"An OTD increase from 85% to 98%: nice results of a fact based and joint approach with the client."

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