

nkt cables frees up

1 million euro and boosts level of service

In less than two years, the production company has reduced its stocks and boosted its level of service by introducing transparency and in-depth ABC analyses.

Communication, transparency in the supply chain, and thorough ABC analyses of raw materials and finished products were, according to Jan Erik Sørensen, the key to the impressive results.

Dialogue boosts results



"If you want to avoid encouraging inefficient behaviour, it is essential to involve sales in the priorities you apply on the purchasing side and vice versa," explains Jan Erik Sørensen, Project Manager, Sales & Marketing at nkt cables in Asnæs, Denmark.

Create results with simple tools

By highlighting priorities throughout the organisation in the form of posters displaying ABC codes, the company succeeded in

optimizing production and purchasing.

Every week, production staff meet with counterparts from the sales and purchasing departments to prioritise the production plan and backorders with the assistance of ABC Analyzer.

A before C. No argument.

nkt cables plans production so as to safeguard its core business at all times. In practice, this means never prioritising a C-product at the expense of an A-product. Production planning is vital for the high service.

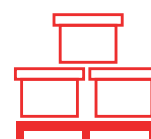
The ABC project was launched in October 2012, and one year on, the results speak for themselves.

Read more about ABC Analyzer on www.abcsoftwork.com and sign up for your 30 days free trial

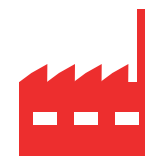
What did nkt cables do?

Raw materials stock

-20%



Production



Service level on
finished products

+96%



Goal:

Reduce raw materials stock, and avoid backorders on important finished products.

Result:

In one year the raw materials stock was reduced by 20 %, and the service degree on finished products went up to 96 %.

Solution:

Enhance communication and visualise priorities. All staff members working with purchasing of raw materials, in production or sales know which finished products are most important (AA), and aim to secure this part of the business.

About nkt cables

nkt cables is the leading supplier to the energy sector. They develop and manufacture high quality cables, and have among other projects provided cables for the longest high speed railway in the world, between Beijing and Shanghai.



- 633 raw materials numbers (DK)
- 3,500 finished product numbers (DK)
- Revenue of EUR 1.1 billion (nkt cables Group)
- 319 employees in Asnæs