

CASE STUDY



Deutsche Steinkohle AG

Hard Coal Producers

Industry

Coal Mining

Supply Chain Focus

Spare Parts, Maintenance Parts

The Company

The company Deutsche Steinkohle AG is one of the main producers of hard coal in Germany and contributes to safeguarding the power supply in the country. In the ten coalmines about 26 million tons of coal are mined yearly. Due to strong cost pressures and reduction in state subsidiaries, Deutsche Steinkohle AG has to continuously optimise its stock of materials across its 25 sites and 3 centralised stock centres as a way to save capital.

Implementation Summary

To reduce the costs for equipment, spare parts and auxiliary materials decisive steps were taken by Deutsche Steinkohle AG to centralise inventory and create a central planning team. Many of the 320,000 items in stock have coal-mining specific requirements to take into consideration. Yearly, the new central-planning centre has to handle 150,000 orders with a total value of EUR 500 million. It was recognized by Deutsche Steinkohle AG that additional optimisation potential was hidden in the purchasing processes. More precise information about the actual re-stocking time and a better control of the other purchasing parameters was considered essential. With company INFORM's software system add*ONE Inventory Optimizer they hoped to improve their planning and purchasing processes.

Operational Use

The add*ONE Inventory Optimizer system is used to register all stock and movement data from Deutsche Steinkohle AG's SAP System and then evaluates it. The controlling module is used by the planners to access precise information about the purchasing parameters and notifications on critical inventory levels, without straining the resources of the operative system. At present, all planners and employees in charge of the stock as well as the company's management at Deutsche Steinkohle AG have access to the planning information and analysis at any time. The standard controlling module of add*ONE Inventory Optimizer evaluates almost 2 million items of data, and therefore synchronisation with the purchasing data within SAP occurs once a week.

The Results

The add*ONE Inventory Optimizer system has brought many advantages. As Andre Rous, planner in the stock centre in Gelsenkirchen, Germany, points out: "I would not like to do without the possibilities of add*ONE anymore. Descriptive graphic presentations and transparent cross schemes are much easier to grasp than long number columns. Portfolio-analyses, for example planned-delivery times against re-stocking time, or inventory ratio turnover to sales, or range to planned-delivery times lead me to the critical material numbers very quickly." The previous planning efforts have been reduced by more than half and at the same time the availability of the critical parts have increased, even though the stock levels have been reduced.



add*ONE

Inventory Optimisation

For further information please contact:

UK Office **INFORM**

Cathy Humphreys or Janine Olariu

Fir Villa, Oldcastle Lane, Threapwood, Malpas, Cheshire, SY14 7AY, UK

Phone +44 (0) 845 257 4706 or +44 (0) 845 009 4702, Facsimile +44 (0) 845 009 4704

info@inform-ac.co.uk, www.inform-ac.co.uk

