



400,000+ Aftermarket Parts and Accessories



18 DCs



1,700 Supplier Locations



16,000 Dealer Locations

## Automotive Manufacturer Strategic Network Design

### Goal

- ▶ Create a synergy in the supply chain network through infrastructure consolidation, optimized product flow and common contracts
- ▶ Identify opportunities that would reduce Total Cost to Serve

### Issues

- ▶ Overlapping DCs with overlapping functions and cross-dock networks
- ▶ Wrong inventory mix
- ▶ Separate contracts with the same 3PLs and carriers

### Results

- ▶ An analytics platform to optimize the spares network using a Total Cost to Serve objective
- ▶ More than 120 scenarios to refine the customer service strategy
- ▶ Short-term savings (4% of Total Cost to Serve, 18M Euros recurring annual) through flow consolidation and optimization
- ▶ Long-term net savings (7% cumulative, +11M Euros) through opening/closing DCs

#### Short-term **18M Euro**



(4% of Total Cost to Serve) recurring annual savings through flow consolidation & optimization

#### Long-term **11M Euro**



(7% cumulative savings) additional net savings from opening/closing warehouses



## Automotive Manufacturer Strategic Network Design

### Journey with Solvoyo



#### Digital

- ▶ A cloud-based digital twin of the operations built with 100M transaction records
- ▶ A web-based digital platform to consolidate and process master data for parts, accessories, supplies and dealers



#### Intelligent

- ▶ Ability to run and compare a huge number of strategy scenarios via a user-friendly platform
- ▶ Ability to prioritize short- and long-term actions based on solid estimates of the savings and the service consequences

