

Otto Golze & Söhne GmbH

**Otto Golze & Söhne GmbH**  
Bad weather and living trends better under control

Delivery readiness  
increased

Optimized inventories  
with concept

Supply chain  
intuitively plannable



## Otto Golze & Söhne GmbH

### Bad weather and living trends better under control



The Supply Chain Management Team of **Otto Golze & Söhne** has to stock material for around 2.9 million floor coverings and carpets every year. In addition to standard products, Golze produces around 46,000 custom-made carpets in batch sizes of 1 every year, which requires flexible production and a material flow that meets requirements.

Due to quotas, the sales channel via hardware stores requires strict adherence to agreed delivery quotas, which requires the highest level of delivery readiness across the entire range. In addition, the ranges change every season, which means a significant change in the range of goods depending on the collection. On the procurement side, there are some large suppliers with fluctuating delivery readiness, which, without suitable countermeasures, results in high inventories. Due to global purchasing, the replenishment times for some product categories are also correspondingly long.

At the same time, demand in all areas fluctuates greatly depending on the season. When bad weather sets in – regardless of the time of year – the demand for entrance mats, for example, increases exponentially.

#### About Otto Golze & Söhne

The branded goods manufacturer **Otto Golze & Söhne** offers high-quality floor coverings and carpets made of natural fibres, fitted carpets, doormats and stair mats under the house brand ASTRA.

Alliances to strengthen the brand have **Otto Golze & Söhne** GmbH has a long tradition. Licensing well-known designs and working with well-known designers is just another

way of meeting the demands of the market and successfully launching new products. To this end, collections for the SCHÖNER WOHNEN and JOOP! brands are developed and distributed throughout Europe.

- 31860 Emmerthal, Germany
- manufacturers of floor coverings
- [www.golze.de](http://www.golze.de)

### Delivery readiness not optimal

**Otto Golze** wanted to be able to handle its complex relationships with partly competing objectives such as 'favorable purchasing conditions despite small batches' more efficiently. Another goal was to increase the delivery readiness from 95% to around 98% without buffering this with higher inventories. Overall, the existing inventory situation was already considered unsatisfactory and it was desired to reduce it further.

The supply chain management team then investigated the extent to which there were opportunities to find suitable settings in the ERP system used. Initial successes were achieved by checking and partially optimizing all relevant planning parameters.

### Reduce planning effort

However, it turned out that the specific requirements regarding automatic maintenance of disposition parameters or article class-specific disposition could not be met with the rather static methods of the ERP system used. The project team saw further potential in switching disposition for major suppliers to shorter planning intervals, although this would have increased the planning effort and brought with it planning uncertainty. In order to address these points, strategic options for the advance simulation of inventory development were required. The ERP system also lacked the appropriate functions and procedures for decision support for this.

### Simulation brings safety and relief

**Otto Golze** can use DISCOVER's simulation options to evaluate the effects of different logistics strategies before they are implemented without any risk. Scheduling has now been consistently changed to shorter planning intervals.

For example, some major suppliers had previously planned and ordered on a three-monthly basis in order to achieve the best purchasing conditions. This planning was changed to monthly planning for standard products in order to protect inventory. The transparency gained provided all the necessary key data for concluding framework agreements with flexible batches, so that the good conditions of the high quarterly purchasing quotas were maintained, but inventories fell drastically.

With the introduction of suitable rules and item class-specific disposition algorithms, **Otto Golze** map the real demand across all warehouses and distribution hubs accordingly. The optimization processes work automatically in the background. They help to continuously optimize the planning and scheduling settings and decisions.

### **SCM with predictive transparency**

The supply management employees were able to get up to speed quickly and now benefit from a significant simplification of their day-to-day business in order to achieve the set goals and continue to optimize them. Scheduling is carried out with a high level of detail and comprehensive functions as well as proactive warnings of impending problems.

In addition, **Otto Golze** integrated analysis and reporting functions to identify trends early on. While Excel was previously used largely manually, today there are diverse and specific reports that are generated at the touch of a button or sent automatically.

### **Team spirit shows success in achieving targets**

**Otto Golze** was able to increase delivery readiness to the desired target of 98 percent. At the same time, the value of the inventory fell by a remarkable 43% from 8.7 to 5 million euros. This means that the supply management team is well prepared for the future.

"DISCOVER gives us exactly the security we need to be able to satisfy fluctuating demands with a high level of delivery readiness, even with low inventories. It is also very intuitively structured."

**Andrea Taufall**

Head of Supply Chain & Quality Management at **Otto Golze** in Emmerthal





**SCT GmbH**  
**Supply Chain Technologies**

Kaiserstraße 100  
52134 Herzogenrath  
Germany

DE: +49 2407 9565-70  
E-Mail: [info@diskover.de](mailto:info@diskover.de)

[www.diskover.de](http://www.diskover.de)

