

Leuze electronic GmbH + Co. KG

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Locations, inventory and delivery loyalty optimally interlocked

Practice rights
disposition

Cross-site
networking

Market synchronization
sales planning



Leuze

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Locations, inventory and delivery reliability optimally integrated

Leuze was looking for a way to present the inventory development in relation to the required delivery reliability more transparently than before. The aim was to relate the two key performance indicators (KPIs) 'inventory' and 'delivery readiness' much better than in the past and to control them in a transparent and comprehensible manner. The company's already high delivery readiness could be further optimized without having to tie up too much capital in inventories.

Opportunities when switching to SAP

After the decision to switch to SAP at its headquarters, **Leuze** could also use a planning module from SAP. Since the ERP system used up to now already had weaknesses in the forecasting procedures provided, those responsible in the relevant SCM area focused on advanced functionalities and methods, such as simulations and planning automation. In line with the planning strategy, it was to be shown dynamically and transparently which materials and in which quantities should be kept in stock to increase the level of delivery readiness.

About Leuze

For the **Leuze**-Portfolio includes switching and measuring sensors, identification systems, solutions for data transmission and image processing as well as components and systems for occupational safety. The focus of their work is on the areas of intralogistics and the packaging industry, machine tools, the automotive industry and laboratory automation.

Founded **Leuze** 1963 at its headquarters in Owen/Teck, southern Germany. Today there

are over 1200 Sensor People worldwide who, with a wealth of experience and great commitment, ensure that their customers are permanently successful in a changing industry - be it in the technological competence centers or in one of the 20 sales companies, supported by over 40 international distributors.

- 73277 Owen, Germany
- sensor manufacturers
- www.leuze.com

In the future, **Leuze** to transfer the S&OP process into the integrated budget and sales planning module of DISCOVER. The sales department will then process its data directly in DISCOVER and automatically enrich forecasts with sales planning. This is advantageous for specific campaigns, new listings or major changes in customer relationships.

Market-synchronized planning and action

Leuze can now react more flexibly to changes in sales on a daily basis. By concentrating on important exceptions, the entire planning effort for comparing sales planning with planning can be significantly reduced. Order and production proposals are synchronized in a fully automated manner, taking into account customer requested quantities and dates as well as cover times and minimum order quantities. Production planners and purchasing planners benefit from verified material and machine availability for all proposals in the planning horizon. From then on, SAP is back to work.

"As a result, thanks to DISCOVER's comprehensive rules and simulation functions, we now have a much more accurate forecast as a basis for planning and can evaluate exactly how stocks would change if delivery readiness levels changed. This is done in a standardized process with the same tools across all locations and regardless of the ERP systems used."

Michael Schüller
Head of Supply Chain Management at **Leuze electronic**

Around 14 percent of stocks are sustainably mined

Leuze was able to reduce inventories by around 14 percent in just a few months while maintaining the same level of readiness for delivery. Automated processes through rules or parameter adjustments significantly reduced the effort. DISCOVER provides intelligent impulses for specific tasks, e.g. the request to report special requirements or to check expensive minimum stock levels.

By setting up a relevant key figures archive, the most important logistics key figures can be regularly provided to management using consistent methods of determination. If there are deviations from threshold values, these are also sent in an event-oriented manner. This also makes controlling the scheduling management much easier. **Leuze** is planning to build a logistics hub for the Asian region in Singapore. With the data from DISCOVER, the new logistics hub can be optimally stocked right from the start, as the rules for appropriate minimum stock levels can be adopted almost automatically.



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