

20
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Sourcing

Improvement indicators

Training Course on Supplier Development in India

A second course session on Supplier Development took place from July 18th to 21st at SLW (Kolkata - India) with 16 participants from all our Indian Units and a member of AST Operations Department (Shanghai, China).

More than 267 improvement ideas were suggested by the participants, most of which will be implemented during the coming weeks.

In addition to practical exercises on the shop floor, participants submitted a new layout to the Unit Management so as to decrease manufacturing cycle time and reduce inventories relating to HWA mechanisms. This proposal was accepted and implemented between Thursday evening and Friday morning. Further to this suggestion, the reduction in manpower and space usage is estimated at **1.5 person** and **40 sqm** (2/3 of the original surface), whilst the reduction in lead time is expected to be approximately **75%**.

Participants will also each complete a project to reap the benefit of the training investment they have enjoyed. All such projects have already been defined.

Most will be focused on on-time delivery improvements. Hence, suppliers such as SVE, Rajan Engineering, Best Cast and MDC will work with our teams to enhance their quality, process efficiency and delivery performance.

The feedback from the participants about the style of the training and, in particular the balance between theory and practice, was very positive (4 out of 5). They particularly enjoyed working on shop floor exercises.

Herewith a selection of comments made by participants:

« Space is Lean but Output is maximum »,

« Concept is simple and easy to understand and implement »

« This training is an eye-opener and motivates us to implement what we have learnt in our workplace for fabulous results »



Supplier Development Projects: Encouraging Results

Results from the previous training course on Supplier Development held in Villeurbanne (France) in February have been encouraging, as set out below:

- The change in the manufacturing process (from batch to one piece flow) has generated savings of **€ 100** at Comeca, a supplier specialized in manufacturing Low Voltage Control Cabinets,
- and by removing redundant manufacturing steps and reducing safety stocks, savings of **€ 50** and an improvement of on-time in full of approximately **73% - 94%** over three months have been attained at Atelier Mécanique du Bugey (RBDH Group).

The above-mentioned projects - with three others which are still on-going - were presented before and discussed by the T&D Sourcing Committee last June.

The total amount of savings for the next 3YP² generated by these actions can be estimated at **€ 1 to 2**.

EDITORIAL

In this period of booming activity for the energy business and at this time of worldwide raw materials shortage, we need to secure our supply sources.

Our best means to achieve this goal is the T&D Key Suppliers Programme launched in the course of year 2006,

which aims at integrating as many best-in class suppliers as possible into our company's overall business processes and strategy.

The examples developed in the articles above show huge savings and significant improvements in terms of supplier lead time, quality, product development and productivity.

Since we initiated this supplier partnership programme, we should aim to ensure that the results of these actions only benefit us. Establishing appropriate contracts would secure certain advantages such as preferred customer and exclusivity clauses or shared intellectual property rights.

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