

Continental relies on SupplyOn to optimize its warehouse collaboration in China

// Using SupplyOn, Continental China was finally able to introduce transparency into the processes of its 50 external warehouse service providers, thus optimizing internal and external processes. The prerequisite for this was a comprehensive process for the planning, recording, and reporting of warehouse inventories and processes. Continental can now monitor inventories and movements as well as significantly increase delivery commitments and thus customer satisfaction. The key advantage: this solution can be used for a variety of warehouse collaboration scenarios.

Challenge

Continental China faced the challenge of ensuring the highest possible delivery accuracy and reliability for its customers. As warehouse operators were not directly integrated, a manual process was implemented at the beginning, in which all service providers were required to report daily inventories and goods movements to Continental. Due to the different report formats and high manual effort, the desired goals were impossible to achieve. High-quality parts were often lost track of due to incomplete processes in the warehouse. Incorrect or additional records made it impossible to assign the goods to OEM customers or warehouses. Even the warehouse operators themselves were faced with challenges caused by the unsynchronized storage data. They were generally not informed of upcoming deliveries from Continental, thereby eliminating the

possibility to plan for additional personnel for goods receipt. This lack of transparency prevented any precise planning. As a result, increased inventories and too many resources for processing led to an increase in costs.

The SupplyOn Solution

SupplyOn recommended a standardized, centralized solution for recording inventories and stock movements. To ensure the greatest possible acceptance and rapid implementation, a web interface was developed as the front end. This allows for data entry and the upload of CSV files containing stock movements. An EDI interface for connecting large warehouses with well-functioning storage management systems and a strong EDI



// "Thanks to SupplyOn, Continental has gained access to detailed insights into the inventories and processes in all external warehouses in China at all times. This enables us to meet our delivery commitments to our customers accurately and reliably. But it's not just us and our customers who benefit from the solution: our warehouse operators can now also plan much better."

Andreas Subbe
Director Logistics SCMA Asia Pacific at Continental Automotive



About the Project

// The aim of the project was to integrate the seven Continental plants in China with all major external Chinese warehouse service providers via a collaboration platform, thereby standardizing the processes. In close coordination with Continental, SupplyOn created a concept based on which a beta version could be provided in April 2015, after only two months of development. Beginning in May 2015, the first five external warehouses began the pilot operation of the solution. The rollout to its seven factories and all 50 external warehouses was accomplished before the end of 2015, followed by another recently opened factory in 2017.



infrastructure was also part of the solution. The SupplyOn system combines all data regardless of how it is delivered and provides Continental with high quality data.

Further processing of the data in other systems is also seamless – such as for KPI evaluations, stock performance, product rotation or inventory accuracy. Moreover, extensive configuration options make the solution adaptable to specific warehouse requirements. With this central connection to the SupplyOn solution and the standardized inventory assessment, Continental's workload was considerably reduced. An added benefit: the management of the external warehouses can now also be handled centrally via a single system overview.

Automatic inventory calculations are carried out based on warehouse-specific settings. The external warehouses can now continually match the actual stock levels with automatically calculated optimal stock levels. Deviations are automatically highlighted. The inventory management tool within the collaboration solution provides both Continental and external warehouses with an overview of inventory status and projections. Customizable warnings allow all users within the process to be notified of critical situations and to initiate actions.

Thanks to the integration with Continental's ERP system, advance shipping notifications (ASN) get sent directly to the SupplyOn collaboration platform. For the first time, the external warehouse service providers can now access information on

upcoming shipments from customers and plan their incoming goods receipt accordingly. Based on Continental's ASN data, external warehouses can record the goods receipt. Since the status of the goods receipt is transparent to both parties, risk transfers are documented and operational processes run much smoother.

Benefits at a Glance

- Comprehensive coverage of all warehouse operations and transparency across various information channels
- Support of automated processes through system integration
- Automatic notification about important developments
- Current and accurate inventory information for both parties
- Decreasing internal and external workload and costs for warehouse management and communication
- Delivery reliability for OEM customers due to central inventory planning and overview
- Improved visibility and analysis thanks to inventory reports based on KPIs

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