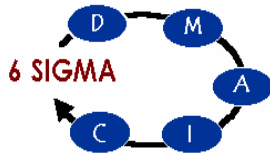


Case study example

Faster Orders acknowledgement

- ▶ **Project objective was to increase the speed to acknowledge orders received from customers; the faster we can acknowledge, the higher is the “hit rate”** (i.e. firm orders = increased Sales revenue)
- ▶ **Project targets were to improve :**
 - the “acknowledgement lead-time” : 5 days was the average before project launch
 - the “not-acknowledged orders backlog” : 3 M€ before project
- ▶ **Project results show that after implementation of solutions :**
 - the acknowledgement lead-time has been reduced from 5 days to 1 day,
 - and the backlog value of not acknowledged orders (not acknowledged > 5 calendar days) reduced from 3M€ to less than 1M€ (the higher value in February 2004 was 585 k€)



Case study example

Faster Orders acknowledgement

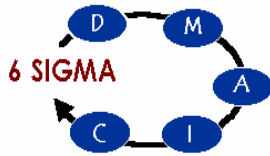
▶ **The stakes of the project, in term of financials, were essentially based on Business gains :**

- 350 k€ yearly gains expected for this project, and validated at the beginning by the project sponsor . Project contract was : this gain is expected if an average of 1 day lead-time is achieved for customers orders acknowledgement
- on top of that, 5 M€ of additional customer orders are expected by Sales Managers, due to the fact that the Distribution network in Europe is very sensitive on the speed of acknowledgement, leading to 1,75 M€ of additional gains (35% margin counted only)

⇒ **Total gains expected in the year = 2,1 M€**

▶ **The major improvements were related to :**

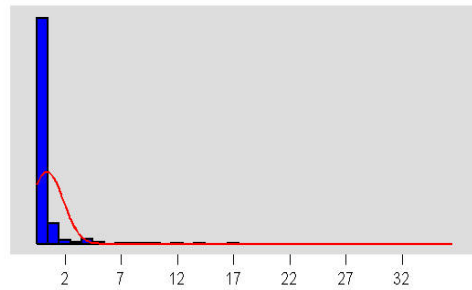
- the elimination of Customer service non-added value activities of the acknowledgement process
- the modification of the Manufacturing information system to reinforce received orders validation frequency
- the use of facilitating IT tools to allow direct e-mailing of acknowledgement confirmations to the final customer from the system



Case study example

Faster Orders acknowledgement

Order acknowledgement duration at Besançon Plant



Anderson-Darling Normality Test

A-Squared: 246,346
P-Value: 0,000

Mean: 0,40814
StDev: 1,43225
Variance: 2,05134
Skewness: 6,28921
Kurtosis: 48,6220
N: 947

Minimum: 0,0028
1st Quartile: 0,0132
Median: 0,0271
3rd Quartile: 0,1028
Maximum: 17,0069

95% Confidence Interval for Mu

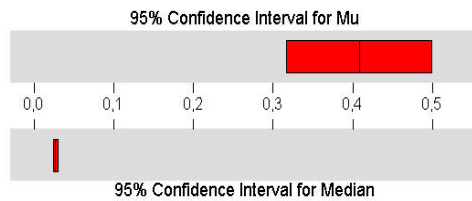
0,3168 0,4995

95% Confidence Interval for Sigma

1,3705 1,4998

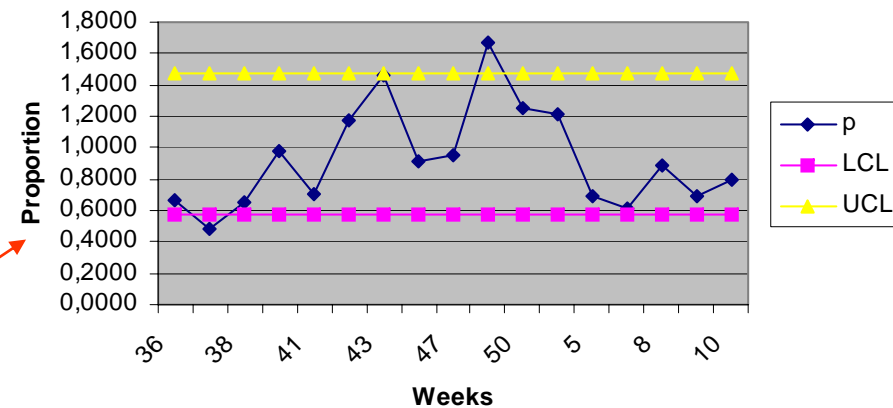
95% Confidence Interval for Median

0,0250 0,0306



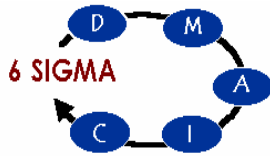
Average lead-time 0.4 day

p-card of defects upper to 2 days for Besançon



. This chart indicates an average of 0,98 % of not-acknowledged orders within 2 days for Besançon.

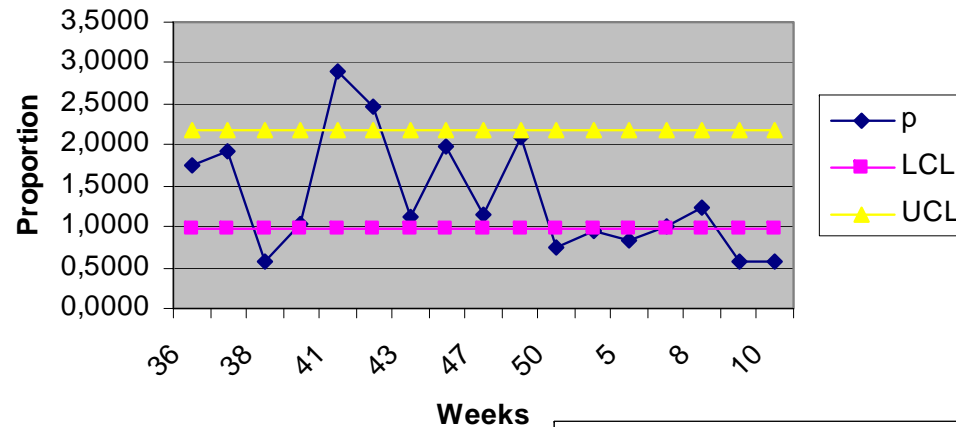
. 1 value is above the calculated UCL limit (+/- 3 sigma) at 1,4 %



Case study example

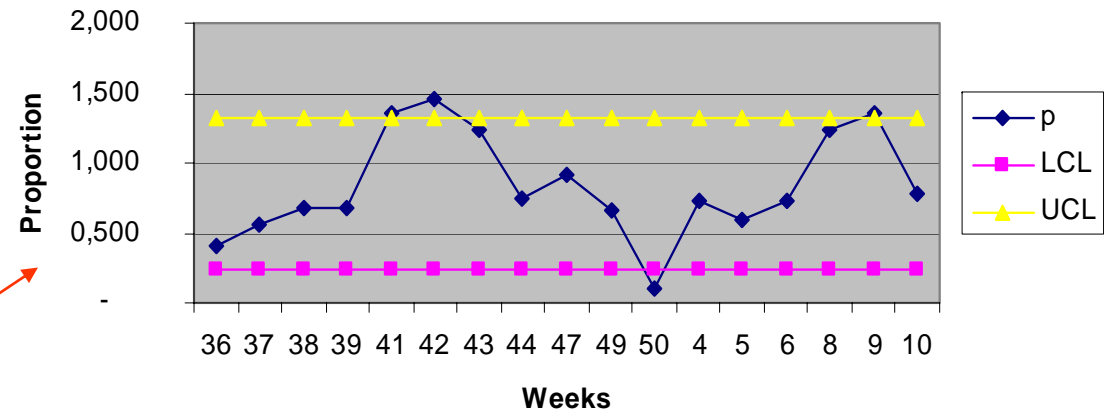
Faster Orders acknowledgement

p-card of defects upper to 2 days for IRTW



Average of 1,44 % of not-acknowledged orders within 2 days for IRTW.

p-card of defects upper to 2 days for La Sarthe



Average of 0,76 % of not-acknowledged orders within 2 days for La Sarthe.