

KSB Pumps

Pumping up profits

Based in Germany, KSB Pumps is an international manufacturer of industrial pumps, with operations across five continents and a significant share of the global pump market. KSB India was established to meet the growing demand for high quality locally manufactured products throughout the country. KSB India was operating at a profit, however increased competition was reducing margins and market share. Their main objective was to improve their competitiveness by improving on time delivery of products with drastically reduced lead times. The key issue was their reliance on a large number of vendors and subcontractors.

Key Results

Elimination of backlog

Reduction of product lead times

Reduced material purchase price

Reduced WIP

Improved productivity

1.5 million (Euro) cost savings

THE RENOIR GROUP

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ANALYSIS

Renoir identified four significant opportunities and set targets to:

- Eliminate the backlog of products overdue
- Improve their capability to deliver in drastically shorter lead times
- Improve manufacturing planning and control
- Develop a much improved supply chain operation

PROJECT

Product Backlog

- Training was conducted to increase awareness of customer service levels and agree improved target levels
- A dedicated team was set up to improve the processes, instigate actions and monitor progress
- The KSB sales team was trained to understand the manufacturing constraints and a new tool capacity ordering tool developed to stop overbooking. (The sales team was buffering their orders due to low confidence in the manufacturing process.)

Supply Chain Management

- Installed a vendor management system to uniformly and rigorously assess vendor performance
- Installed a purchase price management index to ensure price of materials was under control
- Renegotiated supplier contracts to reduce lead times, costs, and inventory
- Better control of the product range to offer standardized as well as customized solutions
- Re-engineered MRPII to get better control of materials
- Re-engineered the manufacturing process

Manufacturing Planning & Control

- Better planning to reduce WIP
- New standards to improve productivity & capacity
- New order tracking process

World Leaders in Sustainable Change

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