



International Production & Cost Reduction

Consolidating Worldwide Production for a Test & Measurement Device Company

OUR CUSTOMER'S ISSUE

The global supply chain management of a test and measurement device manufacturer was looking for cost reduction suggestions from its supply partners.

SAFCO'S ROLE

Safco's customer service team engaged the customer's engineering and purchasing groups within multiple divisions to coordinate an international production consolidation effort.

- Multiple divisions within the customer were ordering the same low voltage power assemblies independent of each other. Some divisions were ordering large quantities while other divisions were struggling to meet minimum order quantities.
- Safco worked with each division to understand their needs, schedules and unique requirements.
- The company wide consolidated volume allowed Safco to transition production to Asia.
- Asian production approval samples were submitted to each division's engineering team for full testing and approval.
- In order to create an Asian production unit indistinguishable from the domestic version, Safco created overmold tooling in Asia to replicate the visual look.
- Safco also submitted domestic production samples for side-by-side performance comparisons.

PROJECT RESULTS

Through close partnering with various customer departments, Safco was able to meet the global supply chain management's cost reduction requirements at the same time increasing service levels.

- Consolidated Asian production achieved a companywide double digit cost reduction for the customer.
- Rather than receiving discrete POs from the various divisions within the company, Safco now receives a blanket PO covering months of companywide demand.
- Safco provides inventory management services out of its Skokie, IL facility allowing it to provide 24 hour turnaround on release requests including small quantities or spike demands.
- Domestic production capabilities still exist as a back up should demand increase suddenly or problems occur overseas.

ABOUT SAFCO

Safco is a full-service partner in the design, manufacturing and delivery of custom, low-voltage DC power supplies. Our experience, service and commitment to quality enable us to produce a low-voltage power assembly that offers superior performance and longevity, allowing our customers to focus more on what they do best.

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