

Case Study - 6120 Aerospace Rebuild Operation

This program, launched in 2008, was awarded to Henkel after two unsuccessful competitors struggled with system customization and SOW requirements. The customer deployed the Henkel MISL® Managed Inventory, Shelf Life, and Lot Control program with **three** full time on site Henkel employees that provide **receiving, inspection, warehouse management, and distribution to production floor hangar areas**. The program requires managing direct and indirect products, and includes hundreds of shelf life sensitive materials like adhesives, sealants, and paint. It also requires several automated environmental activities that include customized constituent reporting, MSDS management, and new product approval processes for EHS functions. The **new product approval process** utilizes the revolutionary Henkel online workflow that is part of MISL®. The MISL® program also provides a robust online environment where more than 450 customer employees can communicate spot buy requests directly to Henkel site personnel for quick turnaround between buildings, virtually eliminating expedites.

Through use of MISL® and the recertification process **Henkel reduced scrap waste at this site by \$1.7 million bringing it to a fractional .63% of spend**. Due to strong performance by Henkel at this location, customer has expanded program to additional locations.

Products Managed – 1,216 POU Locations – 879 (contain 5,572 items) Number of Buildings – 25 (3.5 million sq ft)			
Process	Method	Impact Savings/Value to Customer	Timing
Waste Scrap Frequency	MISL Expiration management, recertification	\$1.7 million	6 yrs 3 months
Inventory Management	MISL inventory forecasting	41% reduction	First 24 months
Net Working Capital	On site inventory reduction	\$317,000	First 24 months
Supply Management	Assimilation of suppliers into Henkel system	175 suppliers consolidated to Henkel	Immediately
Procurement/Sourcing	Assimilation of spend into Henkel system	\$280,000	First 12 months
Procurement/Sourcing	8,000+ strong supplier partner network	\$1,756,000	Since Inception
Accounts Payable	Single monthly consolidated chemical invoice	300 supplier invoices monthly reduced to one	Immediately

More **LEAN** benefits realized by customer:



- Access to Real Time On Site Product Status: By Batch and Expiration Date.
- Process Compliance: Receiving, Inspection, Labeling, Storage, **100% Audit Compliant**.
- Revolutionized EHS new chemical approval process: **Online workflow application gets material approved and on production floor in record time.**
- Customized Reporting: By Department, Location, Requestor, or Job.
- Year over Year Cost Saving Program – Project Management - First year savings \$280,000.

