

Everyone Benefits from Real-Time Demand-Driven Manufacturing

Successful manufacturing organizations must respond quickly and efficiently to demand. Strategies and techniques of the past no longer work, and it's a challenge to transform from the traditional, inventory-centric model to a more profitable and flexible demand-driven enterprise. Demand-Driven Manufacturing (DDM) provides customers with exactly what they want, when and where they want it — but the supply chain and factory floor need effective communication to make it happen. Partnerships must be focused on reducing costs through shared quality goals, shared design responsibility, on-time deliveries, and continuous performance reviews.

CONNECT

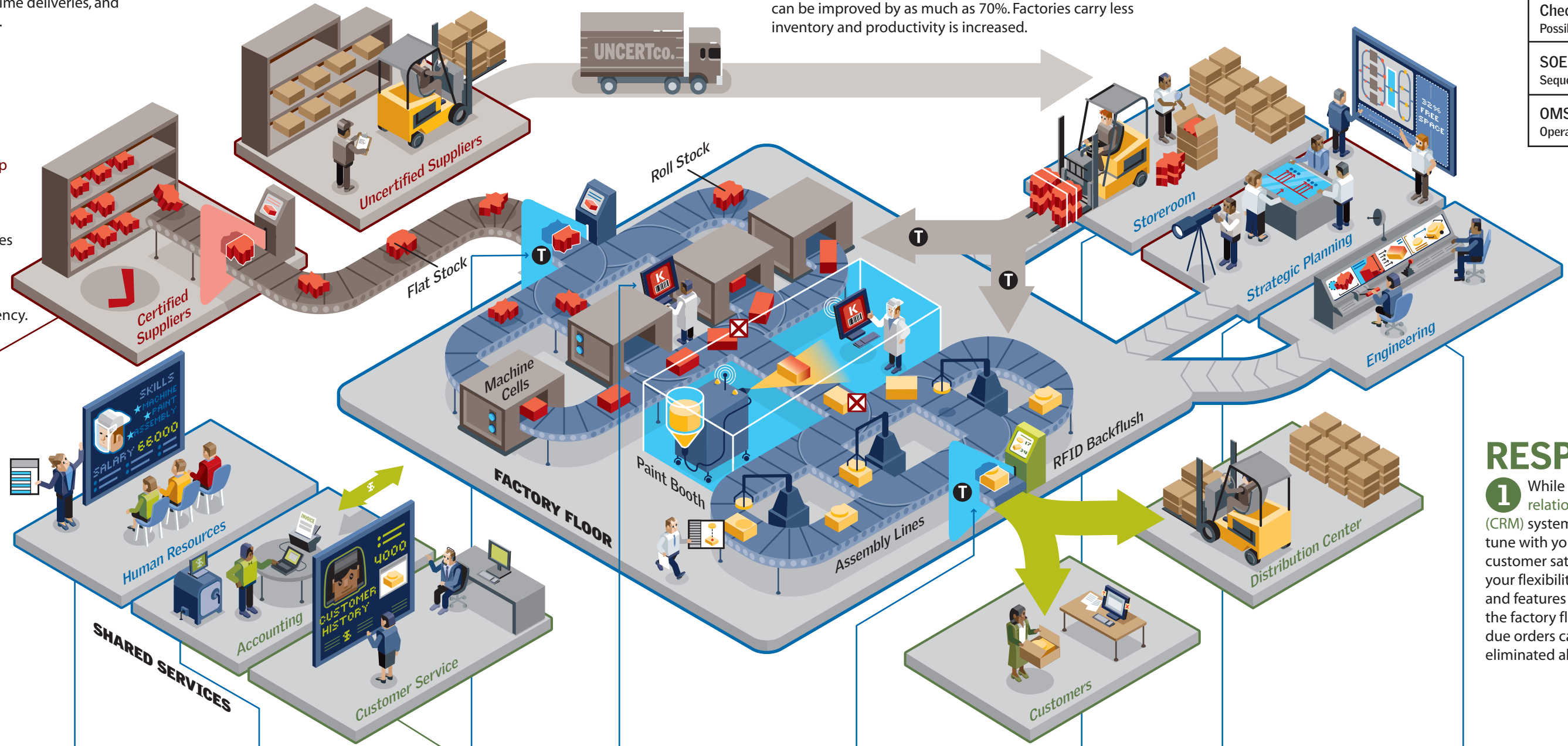
3 With the advantage of a robust supplier relationship management (SRM) system, manufacturers can communicate with certified suppliers to flow supplies right into production lines based on demand. Inventory is reduced and unnecessary transactions are eliminated, increasing profitability and efficiency.

ADAPT

2 Employees and production lines are much more flexible in a DDM environment. Proactive machine maintenance prevents line disruption, and response time can be improved by as much as 70%. Factories carry less inventory and productivity is increased.

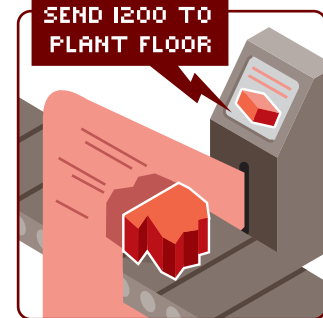
XPLANATIONS® by XPLANE®

Transaction Inbound/Outbound Material	T
Kanban Request/Quality Check	K
Checkpoint Possible Bottleneck	X
SOE Sequence of Events	☰
OMS Operational Method Sheet	📄



RESPOND

1 While a powerful customer relationship management (CRM) system helps keep you in tune with your customers, real customer satisfaction depends on your flexibility, turnaround, price, and features — and that starts on the factory floor. With DDM, past-due orders can be reduced or eliminated altogether.



SUPPLIERS
Certified suppliers can deliver parts straight to the point of need on the plant floor, resulting in fewer transactions, smaller inventory levels, and greater efficiency. Procurement and Supply Chain Management are simplified.



HUMAN RESOURCES
In addition to payroll, benefits, and safety, HR manages employee improvement and training. Factories pay for skills so that workers who are skilled are better compensated. The factory is also more flexible when staffed with multiskilled workers.



ACCOUNTING
Accounting is responsible for billing and paying for orders coming in and going out and for reconciling cost pools among product families.



TRANSACTIONS
Material movements and storage don't add value. Transactions occur only when material is pulled to the factory floor and when products are shipped.



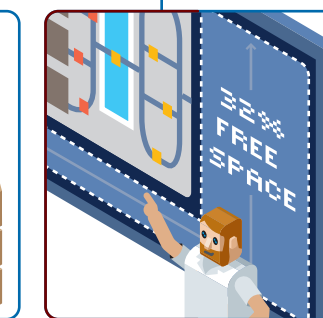
KANBAN
Suppliers deliver components and lines produce only when they receive a Kanban, a visual pull signal that some part is needed. Response is quick, overproduction is avoided, stock levels are kept low, and overhead is reduced.



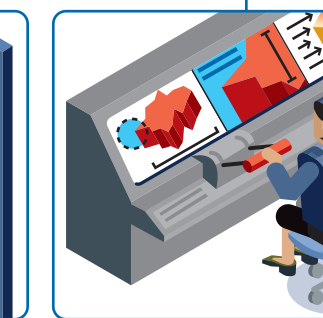
BACKFLUSH
All transactions are greatly simplified as RFID sensors detect finished products as they reach the end of the line, automatically sending a signal that relieves inventory in the DDM system.



STOREROOM
The storeroom is used only to hold raw materials from uncertified suppliers so that it can be quality checked before moving to the production lines.



STRATEGIC PLANNING
Line design and capacity must be flexible. Better use of people and machines — in response to customer demands — ensures continuous productivity and profitability.



ENGINEERING
When even the tiniest part of a complex assembly changes, many other parts can be affected. Engineering ensures that all plans and products are updated when they should be.



CUSTOMER SERVICE
Customer Service representatives link the customers to the manufacturer by passing along orders, complaints, and service information so that the products, plant, and employees can be modified to better serve the customer.