



Powering Business Worldwide

Pioneering supply chain methodology, forecastable savings, transparent freight transportation models, and strategic supplier sourcing improves quality in-time delivery, and meets the company's inclusion objectives

- Reduced Supply Chain Costs
- Increased Cash Flow
- Reduced Product Liability Claims
- Ensured Competitive Pricing
- **Financed Supplier Inventory**
- Booked Freight Direct
- Leveraged FTZ Warehouses

## Summary

Eaton is one of the leading electrical, power generation, and automotive technology companies in the world. When they decided to assist a strategic supplier in identifying cost out measures they chose to recommend consulting with BridgePort Group to help bring substantial cost savings through re-engineering and new efficiencies.

## Supplier Background

Aubert & Duval (A&D) provides advanced metallurgical solutions in the form of parts or long products required for projects in the most demanding industries including aerospace, energy, industrial tools, steel, motor racing, and medical among others.

A&D's core activity is developing, melting, and hot processing super alloys, aluminum and titanium which is needed to meet their clients' stronger specifications. The company has provided Eaton and similar manufacturers around the globe with steel and other metals for use in multiple vehicle applications including transmissions and engine valves as well as various aerospace and military defense applications.

## Business Challenge

Due to the high number of steel suppliers resulting from recent acquisitions, Eaton experienced redundancy in services, unreliable forecasts, quality discrepancies, and high administrative costs. Additionally, the Eaton plant in Kearney, NE occasionally resorted to premium freight to get material in time to reduce the likelihood of production disruptions.

La Havre France based A&D used a third-party freight forwarder in Detroit, MI and a subleased warehouse in Romeoville, IL and multiple carriers for drayage of small quantities of steel. Contract disputes and poor forecasts created poor supplier relationship and customer dissatisfaction.

## How BridgePort Helped

BPG was called upon to address A&D's challenge of meeting its **15% cost reduction effort; and 92% on-time delivery.**

The firm's DDP Model was instrumental in assisting A&D with forecasting, FOB shipment, and predictable consumption to improve min/max levels and eliminate premium freight. The results were:

- **stabilized volumes**
- **reduced days on hand inventory**
- **negotiated rates with A&D and carriers**
- **merged multiple services**
- **single piece price**

In short, BridgePort stabilized piece prices and encouraged a collaborative supplier/partner relationship.

## **BridgePort's** **DDP Model**

### Supply Chain Management and Global Logistics

BPG provides innovative solutions for managing the entire supply chain through quality vendor managed inventory, efficient freight forwarding and effective global logistics planning.

#### **Cost Management**

Material surcharges, carrier costs, inventory charges and overhead related to operating inefficiencies impact a company's profits and shareholder value. The DDP Model stabilizes non-material costs and makes cost management more predictable, and budgets more reliable.

#### **Benefits**

Use of DDP gave the Senior Group Director, Commodity Managers, Supplier Diversity Manager, and other program staff the ability to meet cost cutting goals and increase diversity spend goals.

#### **Results**

18% savings in logistics costs  
FOB delivery time reduced 3 days  
Days on-hand inventory reduced  
Warehouse costs reduce 8.5%  
Full elimination of premium freight

### Strategic Sourcing and Supplier Capacity Building

DDP enables the immediate and far reaching benefits of strategically sourcing from global suppliers. Using BridgePort's DDP Model and qualified consultants, Eaton has:

- Consolidated hundreds of suppliers reducing management time and administrative costs
- Identified opportunities to leverage supplier output to improve material flow
- Used suppliers' technology and best practices to streamline the supply chain and quantify hundreds of thousands in real cost reductions
- Eliminated the high likelihood for production disruptions due to supplier inefficiency or contract disputes
- Assessed supplier's capabilities and developed training and processes to improve suppliers' capacity to grow at Eaton
- Maintained a public image of a good corporate citizen committed to economic development by contracting with medium and small businesses worldwide

## About BridgePort Group

BPG is a global supply chain Agile and DevOps consulting firm with the following core competencies:

### **Supply Chain Management**

BPG is staffed with Certified Project Managers, Agile Practitioners, Business Analysts, Logisticians, and SCRUM Masters with years of experience in all forms of supply chain projects. Our collaborative relationships with OEM's and suppliers have resulted in solutions.

### **Agile Transformation & DevOps**

BPG has worked with several public and private organizations to integrate the work of developers and system engineers, with program owners and product users to iteratively lean supply chain and use code to automate operations.

### **Workforce Development**

BPG uses its workforce intermediary experience and high-end training to help clients build strong workforces through training and IT staff augmentation. Customers acquire targeted skills, creative retention strategies, and in-depth learning through customizable training programs.



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