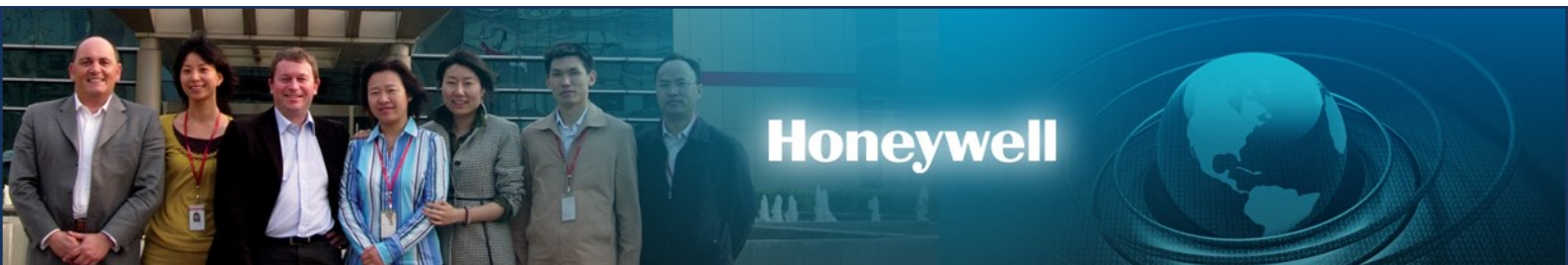




Heading East

Automation and control solutions giant, Honeywell, appoints Delta Impact to help with its transfer of manufacturing from Europe to China in order to save costs.



When Honeywell took the decision to migrate one of its manufacturing programmes from Europe to China to reduce operating costs, it experienced some concerns with component supply that was affecting their operational efficiency and eating into their improved profit margins.

The purchasing teams at Honeywell were having difficulty securing the wide variety of low/medium value components required from Asian manufacturers/suppliers with issues surrounding approval processes, volumes and specifying and as a result these still had to be sourced from Europe.

In a bid to streamline the operation, Honeywell turned to Delta Impact to help support the purchasing and supply logistics processes. Delta was ideally positioned, with offices across Europe and Asia to directly support Honeywell locally as well as globally. By sourcing products from over 60 European vendors, Delta Impact procures components and ships them in consolidated consignments reducing administration and transportation costs to Hong Kong while working with the Asian office to handle the account and manage buffer stock to support Honeywell's manufacturing.

Nearly 300 line items are now supplied through Delta Impact's Hong Kong warehouse and as well as providing a consolidated supply solution Delta Impact has recently delivered a further cost saving of seven per cent through collaborative value engineering projects with Honeywell.

By working closely with Honeywell, Delta Impact has

- Significantly reduced the number of vendors that Honeywell needs to manage
- Initialised and set up local buffer stocks
- Implemented pull-based systems for all lines linked to usage patterns
- Reduced freight costs
- Reduced the total amount of stock in the supply chain
- Improved MOQ's and lead-times
- Reduced direct costs through value engineering activity