Use your data, save your money
WITH NEONEX ANALYTICS SERVICES

FAST
EFFECTIVE
LOW COST
NEONEX Analytics: Higher competitiveness guaranteed

International trade conflicts, digitization, structural change, the economic slowdown and the corona virus are weighing on the global manufacturing industry. Unfortunately, according to current forecasts, these circumstances are not expected to change quickly.

This leads to the necessity to reduce costs, fast. Working Capital reductions, CAPEX savings and ad-hoc efficiency boosts are the decisive drivers for the next 12 months. The best way to achieve cost reductions without any (major) investments is result-based optimization based on Data Analytics.

Why Data Analytics to reduce costs?
- Data is available in all industry operations – but most of the time it is barely used.
- Already existing data are in most cases sufficient to get started.
- In most cases, savings will cover all initial project costs.

In everything you do, it is important to keep the following basic principles in mind:
- Make sure that the “Why” and “What for” questions are answered.
- Establish cross-functional teams with engineers & data science experts.
- Consider the whole value stream to get the best results.

- Fact based decision making must become part of your company culture.
- Start small and pragmatic – but this week!

Why NEONEX Analytics?
Because we have all the match-winning expertise & technology:
- deep process and industry experience
- know-how to link processes to P/L
- knowledge where to find your data
- persistence to ask the question Why over and over again
- mix of experts and young professionals
- Tough drive for results and savings orientation
- Wide range of tools and solutions

You trust in us – we trust in our results. We promise you: No results – no payment.

On the following pages, we present three main ways to reduce costs immediately through the use of NEONEX Analytics.

Unleash your buried data treasures!
We are looking forward to accompanying you on the way.

Thomas Rohrbach, Managing Director
REDUCE YOUR INVENTORY COSTS WITH RAISED SERVICE LEVEL

Inventory is a daily challenge for supply chain planners – and a real headache for the management. The resulting costs of 9-15% of total inventory is a significant cost block in your P/L. Free-up tied cash is key! Clumsy squeezing the inventory level will not help you – your essential service level would suffer. NEONEX offers to analyze your existing logistics data and supply chain parameters to uncover potential for inventory optimizations. The results of the analysis will be visualized comprehensively and discussed in a 2-day expert workshop with you. By this means, recommendations for significantly optimizing your inventory level will be developed within two weeks after the data becoming available. In most of your SKUs, the analysis will lead to a reduction. Our simulation also shows where it makes sense to increase safety stock to maintain or raise service level. In addition, your core team will get a training and your master data quality will be evaluated in parallel. Smart optimization instead of a clumsy haircut of your stock levels!

NEONEX Guarantee: you will get your money back if our Return on Consulting is longer than six months.

APPROACH AND RESULTS

Inventory Analytics & Expert Driven Simulation

Jochen Leppert
Senior Partner
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CONTACT

KEY FACTS

Project costs: 25,000 € (Central Europe / + VAT)
No CAPEX investment

2 weeks

- Inventory: 20% ... 50%
+ Service level: 5% ... 25%

Qualified team
New supply chain parameters

KPI TREE

Material
Personal
Inventory
Receivables
Liabilities
Infrastructure
Equipment
COGS
SG&A
Costs
Turnover
Working Capital
Capital employed
Fixed assets
EBIT
ROCE

EBIT
ROCE
Production Value Stream Analytics

UNDERSTAND WHY PLANS WENT WRONG

The performance of the value stream is one of the biggest cost drivers in a producing company. However, due to the complexity of value creation it is most difficult to focus on one or two main measures to effectively improve the situation in a P/L relevant way. NEONEX Value Stream Analytics analyzes your production data to illustrate a complete picture of how your value streams through your production. Making use of cutting-edge process mining technologies, NEONEX calculates the true material flows and the most relevant key performance indicators. The analysis delivers three key results: First, a clear and complete picture of the Work In Progress Inventories on the shop floor. Second, the real utilization of equipment and the impact it has on value stream performance. Third, the quality and effectiveness of the applied production control method and production planning. Based on these insights, NEONEX experts are working out a cost optimal Smart Factory Value Stream Design together with the key people of your factory in a 3-day workshop. Based on this, central measures are identified to reduce COGS and Working Capital and to increase the utilization of your fixed assets.

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KPI tree

Material
Personal
Inventory
Receivables
Liabilities
Infrastructure
Equipment

COGS
SG&A
Costs
Turnover
Working Capital
Fixed assets

EBIT
ROCE

Capital employed

KEY FACTS

2-4 weeks

- Throughput time: 10% ... 25%
- WIP: 25% ... 30%
- OEE: 5% ... 25%

Project costs:
20,000 € – 40,000 € (+ VAT)

CONTACT

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Inhouse Logistics Analytics

OPTIMIZE YOUR INHOUSE MATERIAL SUPPLY & LOGISTICS OPERATIONS

Inhouse logistics is a pain to almost every company – especially when dealing with large transportation volumes due to material quantity and/or size. It’s a non-value-adding activity which affects P/L not only with significant labor cost but also with equipment and floor space requirements. One of the major pain points is that product portfolio and model mix are constantly changing, and the related material movements and logistics parameters need to adapt. NEONEX tackles this challenge by detailed analysis of typically available logistics data and enabling the organization for data-driven logistics optimizations. This allows for continuously optimizing the balance between logistics efforts, required equipment and floor space. Furthermore, it reduces the risk of downtimes due to delayed material supply and helps to identify upcoming bottlenecks in the overall logistics process. Optimizations of milkrun route design, stock levels in different supply stages, as well as warehouse and supermarket re-organization are often well-known to the employees, but manual analysis and optimization takes too long and often involves too much effort in a permanently changing environment. That’s exactly where analytics kicks in.

APPROACH & RESULTS

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KPI TREE

<table>
<thead>
<tr>
<th>Material</th>
<th>COGS</th>
<th>Costs</th>
<th>EBIT</th>
<th>ROCE</th>
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<tbody>
<tr>
<td>Personal</td>
<td>SG&amp;A</td>
<td>Turnover</td>
<td>Capital employed</td>
<td></td>
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<tr>
<td>Inventory</td>
<td>Receivables</td>
<td>Working Capital</td>
<td></td>
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</tr>
<tr>
<td>Liabilities</td>
<td>Infrastructure</td>
<td>Fixed assets</td>
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<tr>
<td>Equipment</td>
<td></td>
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</tbody>
</table>

KEY FACTS

- 2-4 weeks
- Project costs: 20,000 € – 40,000 € (+ VAT)
- Service level: 5% ... 15%
  - Manual logistics operations: 10% ... 30%
  - WIP: 20% ... 60%

CONTACT

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Reduce your costs
WITH OUR EXPERIENCE

NEONEX Analytics uses data sources from the production and logistics environment to implement timely and sustainable improvements in results with minimal investment using various analysis methods.

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