



Case Study

YANFENG AUTOMOTIVE INTERIORS IMPROVES INVENTORY VISIBILITY WITH TRADEBEAM

Company

Yanfeng Automotive Interiors

Industry

Automotive

IgniteTech Product

Tradebeam

Customer Website

yfai.com

Yanfeng Automotive Interiors (YFAI) designs, develops and manufactures interior components for all automakers. They are redefining how people relax, work and play inside their vehicle interiors — today and decades from now.

Headquartered in Shanghai, the company has approximately 110 manufacturing plants and technical centers in 20 countries and more than 33,000 employees globally. Established in 2015, Yanfeng Automotive Interiors is a joint venture between Yanfeng, one of the largest automotive suppliers in China, and Adient, the global leader in automotive seating. The YFAI plant in Derramadero supplies interior parts to the nearby FCA vehicle assembly line producing Chrysler trucks.

CRITICAL BUSINESS ISSUE

Interior parts are typically supplied in sequence — depending on the type of car and its options — directly to the assembly line of the vehicle manufacturer from a supplier's sequencing facility. Usually there are only a few final assembly activities in these facilities, and there is little space for safety stock. Furthermore, due to the direct shipment to the assembly line, the supply of the right parts at the right time and in the right sequence must never fail in order to avoid disrupting the customer's production. In such cases, the customer will charge severe penalties from the supplier company.

YFAI's operational efficiency suffered from the lack of visibility into demand, inventory levels and in transit quantities for such critical supply chain.





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PRESENTING THE SOLUTIONS

In order to manage the material flow to the sequencing facility in Derramadero, the regional supply chain manager needed a solution to pull the right material from a few critical supplier plants multiple times per day. At the same time, he was looking for a solution to monitor the inventory level in Derramadero, in a critical supplier plant, as well as the in transit quantities, to prevent disruption of the supply of parts to the customer's vehicle assembly line. The solution should automatically control the material flow based on tight target inventory boundaries for the sequencing facility in Derramadero.

IgniteTech provided Tradebeam, a Software as a Service collaborative inventory management solution for real-time supply chain visibility throughout the sequencing facility and the supplier plants. An ordering mechanism was implemented that manages the replenishment of parts using unique order numbers to track what has been called-off, shipped and received. Numerous real-time alerts about critical events and exceptions in the order cycle support the trading partner in managing the critical supply chain.

DELIVERING RESULTS

Improvements after implementing Tradebeam for the Derramadero sequencing facility supplied by the plants in Queretaro and Santa Maria are as follows:

- ✓ **Service Level:** Inventory on target increased from 15% to 90%
- ✓ **Order Lead Time:** Reduced from 32 hours to 5 hours
- ✓ **Material Flow:** Amount of trailers at Derramadero yard (pending to be unloaded) reduced from 4 to 1
- ✓ **Space Reduction:** 15% space improvement in Derramadero floor space

LEARN MORE

To learn more about how IgniteTech's Tradebeam solution can provide you with real-time insight and control over inventory, visit ignitetech.com/tradebeam.

