



SUCCESS STORY

New engine for logistics

Deutz accelerates supplier processes with AX4

Deutz AG – with production facilities in Germany, Spain, China, and Argentina – has a supply chain dominated by many international players and involving shipments by air, sea, and road. Simplifying the supply chain requires a system for sharing information quickly and easily. The AX4 logistics platform allows Deutz to link its suppliers and carriers directly to the just-in-time and just-in-sequence synchronized supply processes in its assembly operations. Now, the cloud-based network allows everyone involved in the process to share data quickly and provide complete shipping data early on. Utmost transparency helps eliminate supply bottlenecks in Deutz's plants.

Challenge

What's needed is an IT platform with one interface integrating suppliers and carriers around the world and providing all parties with transparency and consistent data. All the orders that have been placed and their status need to be quickly and easily accessible. This makes it possible to reduce manufacturing throughput time and greatly increase efficiency in receiving. The goal is to achieve better performance by increasing the quality and reliability of inbound and outbound shipments. In addition to simplifying workflows, the IT solution should also adapt to the SAP system at Deutz and eliminate manual input along the entire process chain. Deutz also wishes to avoid investing in its own IT infrastructure and cut its process costs.

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Solution

By integrating suppliers, carriers, and service providers around the world into a single system, AX4 brings complete transparency to the supply chain and visibility to all participants. The platform can display all the delivery notes with their current status, flag any open shipments, and support suppliers in planning their shipments. An email alert feature notifies Deutz and the carriers of possible delays and enables a quick response to any deviations in the shipping process.

Suppliers use AX4 as a central hub for printing and applying the barcode labels that Deutz requires on all packages. By scanning these barcodes in the receiving area, Deutz can pass the packages along without delay and significantly reduce its manufacturing throughput times.

Success

Since the AX4 solution went live, Deutz has increased the throughput rate in its receiving areas by 40 percent. The engine manufacturer has already linked 262 suppliers and logistics partners through the platform and more than 1,200 users process over 70,000 shipments each year using the logistics platform. Automating the workflows made it possible to achieve better reliability and ontime performance.

The move was also good for the bottom line: Optimizing the supply chain eliminated the need for investments of €1.5 million that would've been necessary to expand capacities.

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