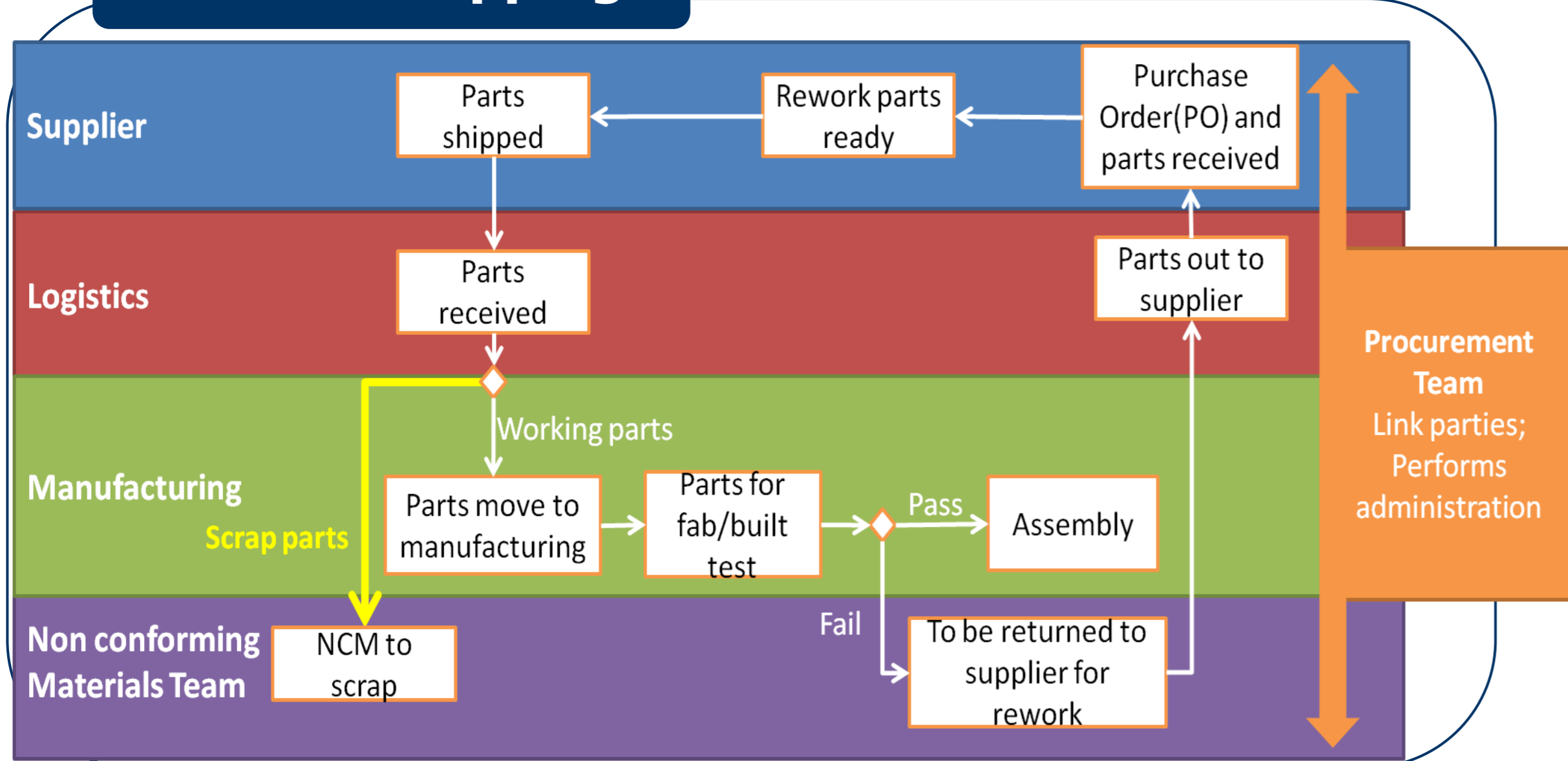


Problem

Scrap parts returned from suppliers are leaking back into the production line, incurring extra processing costs.

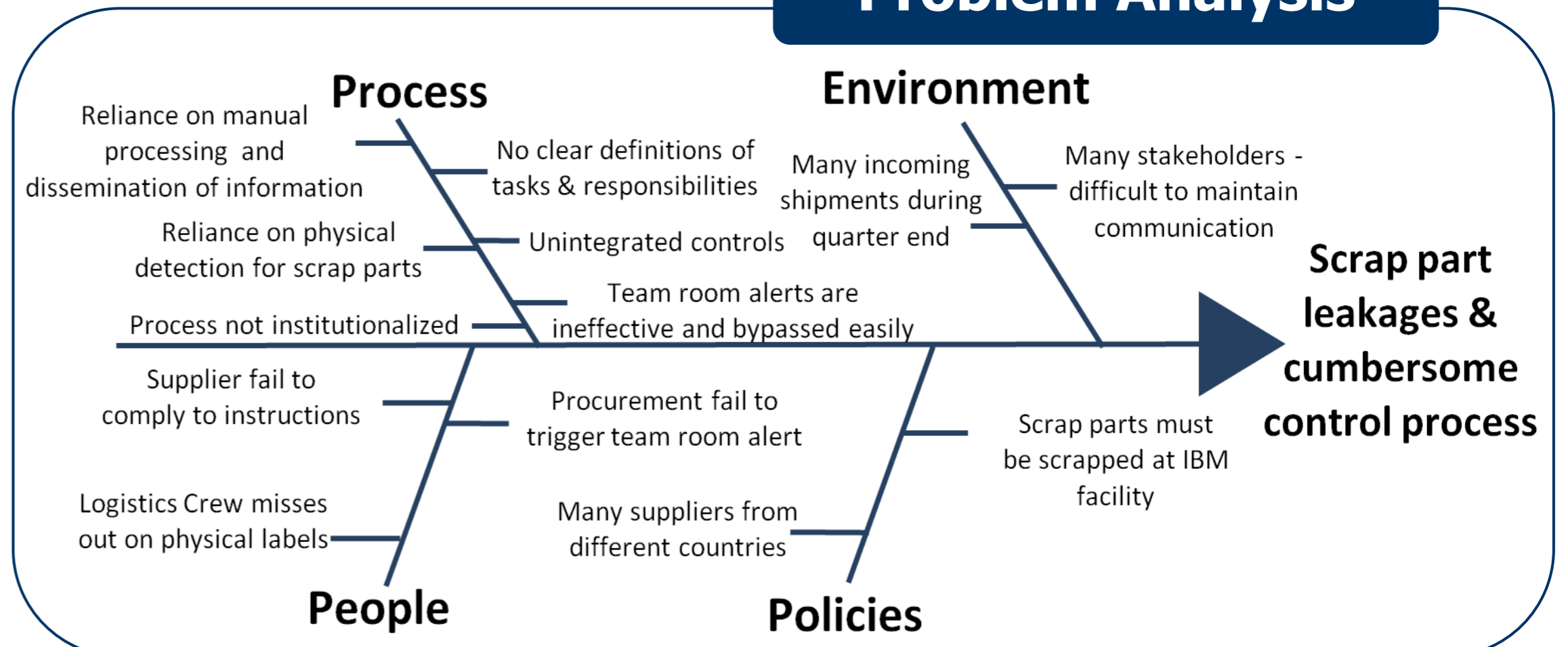
Process Mapping



Current Controls



Problem Analysis



Project Objectives

- Redesign the scrap parts return process to achieve:
1. Effective control to reduce possibility of leakages
 2. Streamlined process to reduce steps and save time
 3. Clear and traceable accountability

Proposed Solution

Effective Controls

Streamlined Process

Accountability

Design Principles

Shift from untargeted physical detection to information-triggered detection

Integrate new measures into existing job routines and reduce unnecessary steps

Decouple dependent tasks and assign clear roles

Implementations

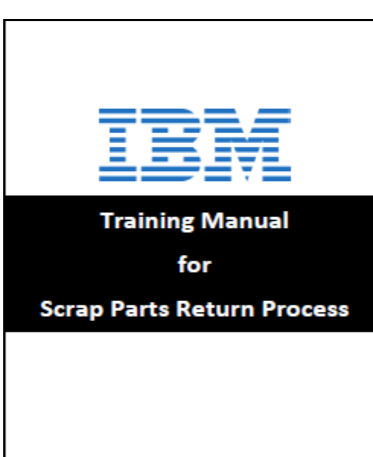
Shift detection responsibility from Logistics Crew to Logistics Admin
 Achieve scrap parts detection via alert information in SAP

Integrate detection into routine Goods Receipt process
 Replace normal parts receiving process (6 steps) with Dock Receipt process (1 step)
 Remove current controls: "Unrepairable" description in SAP and Teamroom coordination

Procurement: liaise with suppliers; create separate PO in SAP with proper receiving location type
 Logistics Admin: detect scrap parts via SAP; instruct GEODIS crew to remove scrap parts; administer Dock Receipt process
 Logistics Crew: Physically locate & remove scrap parts; execute Dock Receipt process

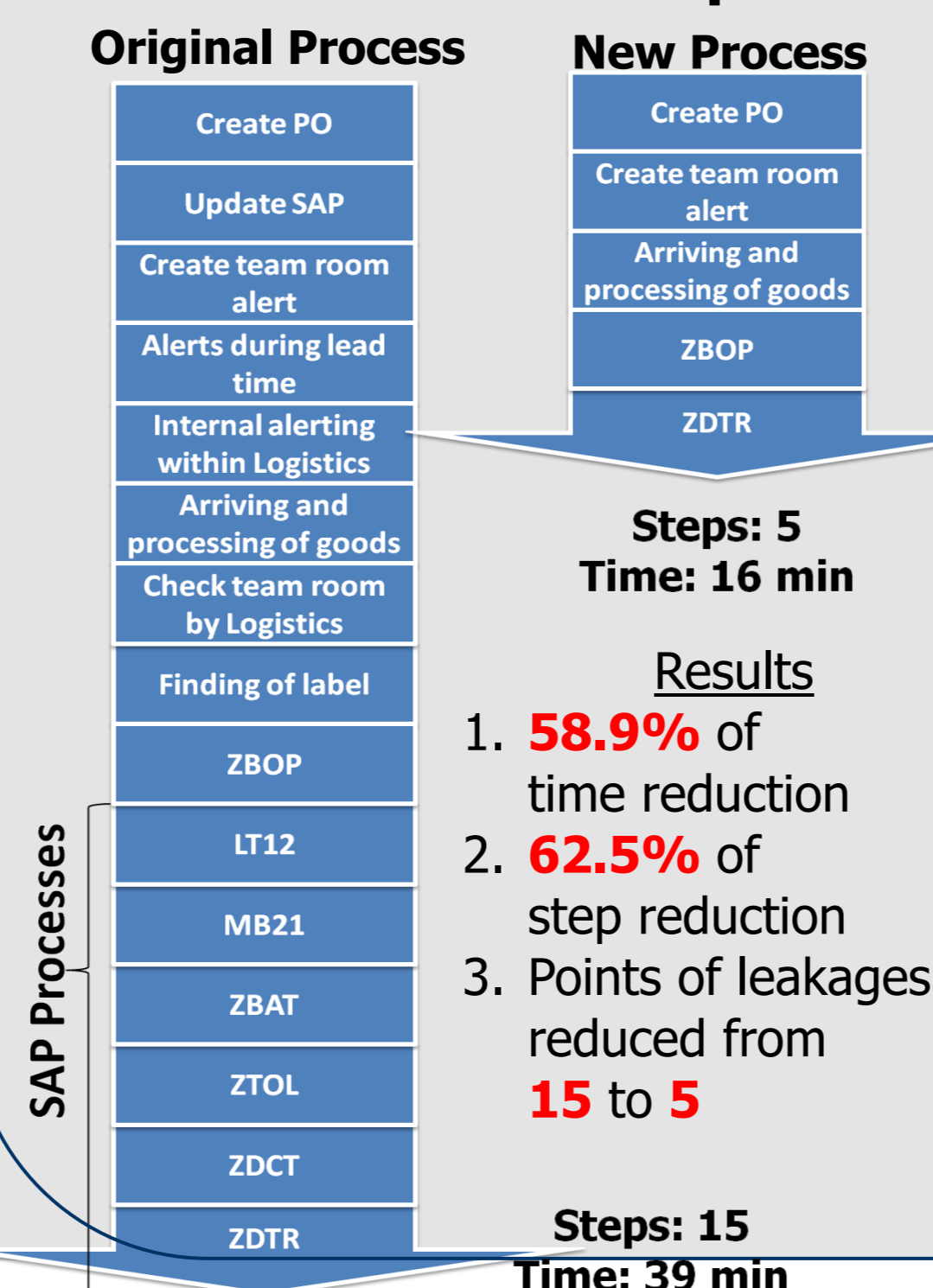
Deliverables

1. Standard Operating Procedures (SOP) for scrap parts return process, with clear definition of the process, people and roles.
2. Training materials for parties involved



Impacts

1. Number of steps



2. Traceable accountability for leakages

Failure to...	Responsible Party
1 Create scrap part PO	Procurement
2 Assign the correct receiving location on SAP	Procurement
3 Detect & instruct crew to remove scrap parts	Logistics Admin
4 Remove scrap parts despite already being notified	Logistics Crew
5 Comply to Dock Receipt process	Logistics Admin

***Suppliers' compliance no longer critical with the new system**

3. Decoupling of tasks and reduction of work

