One Network Enterprises™

How Dana Reduced Inventory by 31%
with Demand Driven Global Sourcing and International Freight Solutions from One Network

CUSTOMER BENEFITS HIGHLIGHTS

- 31% reduction in inventory on average

- Visibility across a multi-tier network to inventory across thousands of products, dozens of plants, hundreds of suppliers and hundreds of planners

- Synchronized multiple ERP systems with a "single version of the truth"

- Reduced supply/demand variability

- Dramatic reductions in shortages

- Significant drop in expedite costs

- Improved on-time delivery performance

31% INVENTORY REDUCTION

WHO IS DANA?

Dana is a global leader in the supply of highly engineered driveline, sealing, and thermal-management technologies that improve the efficiency and performance of vehicles with both conventional and alternative-energy powertrains.

Serving three primary markets – passenger vehicle, commercial truck, and off-highway equipment – Dana provides the world's original-equipment manufacturers and the aftermarket with local product and service support through a network of nearly 100 engineering, manufacturing, and distribution facilities. Founded in 1904 and based in Maumee, Ohio, the company employs approximately 23,000 people in 25 countries on six continents. In 2014, Dana generated sales of $6.6 billion.

One Network was the only solution that offered a seamless, integrated suite of solutions that could enable planning, execution and optimization across all supply chain functions, to maximize results.

DANA'S CHALLENGES

Dana was struggling with increasing costs due to **high inventory levels**, and in other cases, **out-of-stock of critical supplies** that at times resulted in expensive plant issues. Their rising costs were due to carrying excess inventory in some areas and not enough inventory of other parts. **Rising transportation costs** were mainly the result of expedites that were required to cover inventory shortages.

There were also four other problems that Dana wanted to solve.

1. Multiple ERP Systems – With 51 ERP systems, Dana needed a solution that could embrace key legacy systems and provide a standard for replenishing component and raw materials.

2. Non-EDI Suppliers – Dana wanted to connect with non-EDI suppliers and collaborate with them during the replenishment process.

3. Long Information Lead Time – Dana was sending weekly communications to suppliers, but communications lagged the further down the supply chain they went. Dana needed a way to get information to all suppliers much faster.

4. Supplier Delivery Performance – Dana's existing EDI system was unable to accurately track suppliers' delivery performance. Dana needed a consistent and accurate way to measure and record this performance.

WHY CHOOSE ONE NETWORK?

Dana looked at a number of other solutions, including ERP portal solutions, but none offered an integrated solution across all supply chain functions. Specifically, Dana wanted to maximize efficiencies by coordinating their replenishment process with the logistics planning and execution process, thus optimizing service level, inventory and operational cost concurrently.

One Network was the only solution that offered a seamless, integrated suite of solutions that could enable planning, execution and optimization across all supply chain functions, to maximize results.

THE SOLUTION

Dana and One Network implemented One Network's **Intelligent Supply** to manage the inbound supply for Dana's Commercial Vehicles division, and One Networks' **Intelligent Logistics** and TMS solution for managing intercontinental freight. The solutions are unique in that they enable multi-party, multi-tier visibility and collaboration. The Intelligent Supply solution provides:

Demand Management and Forecasting: Automatically takes a gross demand feed from Dana's many MRP systems and creates order forecast and discrete orders for forecasted demand and actual demand.

Global Demand/Supply Visibility: Dana has real-time view of their customers' requirements and their suppliers' material availability across the multi-tier supply network including

31% Saving

"We have seen dramatic inventory reductions; on average more than double what we had targeted."
Tobias Jendrell, Global Director of Materials and Logistics, Dana

third party warehouses holding inventory on behalf of their suppliers. This multi-tier solution provides a full, global supply-demand match across multiple tiers and multiple parties, providing visibility and actionability to all.

Multi-tier Supplier Collaboration: Enables Dana to collaborate with all suppliers on orders, and to resolve issues quickly.

Multi-tier Replenishment Planning: Plans replenishment for every item at all consumption and stocking locations based on demand data and Dana's replenishment policy.

Logistics Management: Dana is using One Network's Intelligent Logistics solution to manage intercontinental shipments. The solution was implemented in under two months, allowing Dana to start seeing results quickly.

Multi-tier Global Supply-Demand Match: Dana now has the capability to see and influence demand, supply and service level across a multi tier value chain. From supplier to international freight, to 3PL warehouse facilities, into the factories. With as many as six different participants in one global supply-demand match and execution system, Dana now controls its own destiny without having to own the whole supply planning or execution process.

Rapid On Boarding Service: One Network used a rapid, bulk onboarding and automatic quality assurance testing process, which enabled hundreds of suppliers to be onboarded in weeks instead of months, along with a service model for onboarding new suppliers, or for the elimination of old suppliers.

"One thing that separates One Network is their ability to adapt the network service quickly to get us the solution we need," said Tobias Jendrell, Global Director of Materials and Logistics, Dana. "We have seen dramatic inventory reductions; on average more than double what we had targeted."

"Dana is a global leader in the automotive market, and we are honored to partner with them. By leveraging the Real Time Value Network, they are also a global leader in the digital supply chain revolution," said Greg Brady, CEO of One Network. "The network's powerful supply chain modules, global supply-demand matching, and real time multi-party capabilities, will help Dana to set new standards in global efficiency, collaboration and service."

THE RESULTS

From the beginning Dana saw strong results. One Network worked closely with Dana to understand their business and ensure the solution would meet and exceed the requirements, and be easy to use for their employees and their trading partners.

Dana's target of an overall 10% reduction in inventory was exceeded with a 31% average reduction overall. Some part inventory levels were reduced by as much as 68% with the minimum reduction of 10%. [Source: Steering Committee report June 2014]

Along with the inventory reductions, Dana saw a dramatic drop in shortages and expedite costs by having the right inventory at the right place at the right time.

Dana has visibility across a multi-tier network to inventory across thousands of products, dozens of plants, hundreds of suppliers and hundreds of planners.

Other benefits Dana is experiencing:

• On-time delivery performance improvement
• Multiple ERP systems are now synchronized with a "single version of the truth."
• Visibility across a multi-tier network to inventory across thousands of products, dozens of plants, hundreds of suppliers and hundreds of planners
• Reduced supply/demand variability due to real time visibility and ability to collaborate
• In general, higher service levels at a lower cost

Dana's suppliers are also seeing benefits:

• With daily visibility in to demand, suppliers are better able to satisfy demand
• The ability to collaborate with Dana means they can provide better service, faster
• The easy to use interface has enabled suppliers to be up and running quickly with minimal training

Dana expects to see even greater benefits as the solution footprint is expanded.

To learn how you can gain total visibility and reduce your inventory levels to new lows without compromising your service levels, contact One Network at:
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