

Strategic Improvement Plan for Brown Corp.



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Case Study Production Systems (SS24)

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1. Executive Summary



Overview
Browns corp.



ERP
Implementation



Training Programs



Logistics
Optimization



Sustainability
Initiatives



Goals

2. Current State Analysis

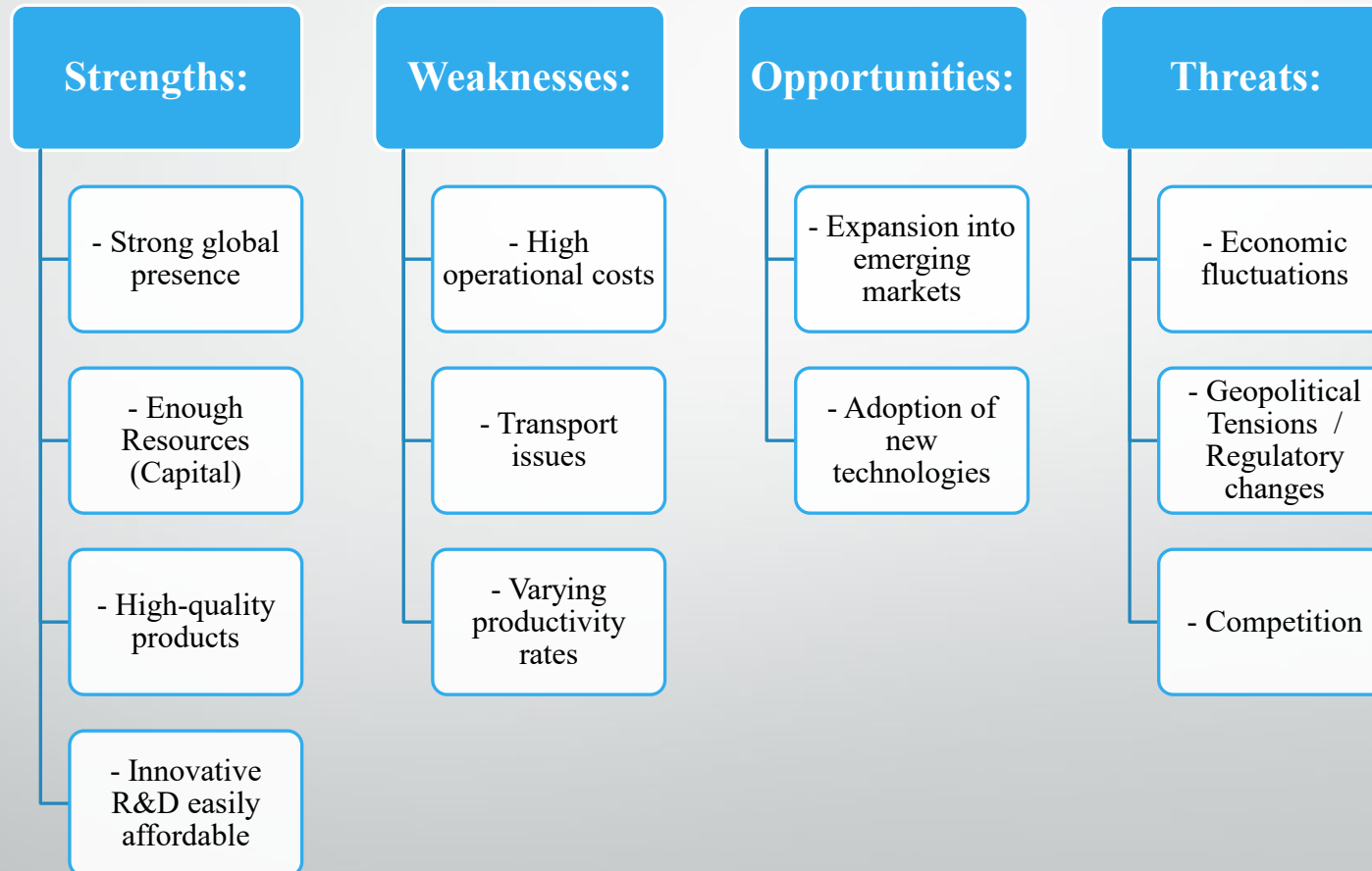
BROWN Corp.'s

1. Expenses (table 1)
2. Operations (table 2)

Region	Direct (€)	Indirect (€)	Office (€)
Germany	45,000	60,000	75,000
Moldova	7,000	15,000	25,000
China	16,000	25,000	45,000
USA	40,000	55,000	85,000

Region	Working Days	Vacation Days	Labor Hours	Productivity	Absenteeism Rate
Germany	250	30	1760	91	9
Moldova	255	28	1816	102	4
China	261	16	1960	112	3
USA	261	23	1904	95	7

2.1 SWOT Analysis



3. Problem Identification

After deep analysis of Brown Corp. following common problems are found:

Single-use Plastics: Increasing consumer concern and regulatory push for sustainability.

Sustainability: Priority due to strong trend and regulatory support.

Product Factors: Quality and price are decisive for consumers.

Equipment Efficiency: Current equipment is old, inefficient, and high in energy consumption.

Training Variations: Issues with training quality, especially for new staff.

Operational Inefficiency: Manual processes cause slowdowns and high labor costs.

Safety Risks: Manual handling leads to higher workplace accident risks.

Inventory Management: Manual processes prone to errors and scalability issues.

ERP and Production: Inefficiencies due to reliance on different ERP sources and manual processes.

Geopolitical Concerns: Affecting operations in China, Moldova, and globally.

4. Proposed Hypotheses and Expected Output

Hypothesis 1:

"Implementing advanced manufacturing technologies will enhance production efficiency by 30% and reduce maintenance costs by 20%."



Hypothesis 2:

"A unified global training program will improve employee productivity by 25%."



Hypothesis 3:

"Standardizing ERP systems across all locations will decrease logistical costs by 15%."



Improvements in Sales/Production and Quality



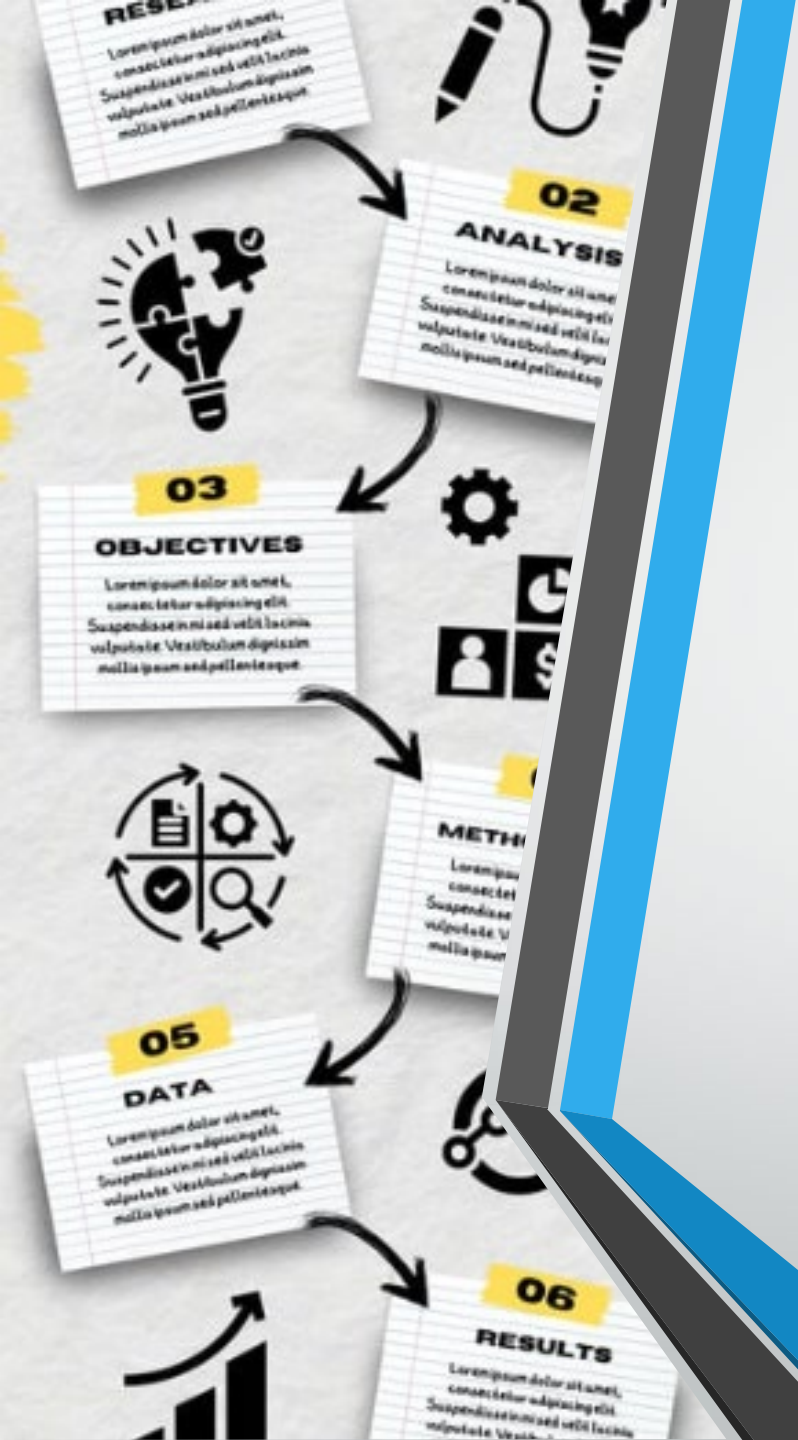
5. Proposed Strategies

5.1 ERP(Enterprise Resource Planning System) Implementation:

- **Vision:** Achieve seamless and integrated operations across all plants within 2 years through standardized ERP systems.
- **Key KPIs:** Number of ERP systems evaluated, selection completed, percentage of plants using new ERP, reduction in operational costs.

5.2 Training Programs

- **Vision:** Build a highly skilled workforce to support operational excellence and innovation.
- **Key KPIs:** Number of training modules created, number of employees trained, improvement in employee performance.



5.3 Logistics Optimization



- **Vision:** Reduce logistics costs by 20% while improving delivery times and reliability within 3 years.
- **Key KPIs:** Identification of bottlenecks, reduction in transportation costs, improvement in delivery times.

5.4 Sustainability Initiatives

- **Vision:** Become a leader in sustainability with a 50% reduction in carbon footprint within 5 years.
- **Key KPIs:** Number of projects identified, percentage reduction in carbon footprint, overall reduction in environmental impact.



6. Detailed Progression Plans Including Timelines and Goals

1	Progression Themes	Cycle 1 (0-6 months)	Cycle 2 (6-12 months)	Cycle 3 (1-2 years)	Cycle 4 (2-3 years)	Cycle 5 (3-5 years)	Vision	Theme KPI	Business KPIs
2	ERP Implementation	Evaluate ERP options	Select ERP system	Pilot ERP implementation	Full-scale ERP implementation	ERP system optimization	Achieve seamless and integrated operations across all plants within 2 years through standardized ERP systems.	Number of ERP systems evaluated, Selection completed, Percentage of plants using new ERP, Reduction in operational costs	Increased operational efficiency, Enhanced data consistency, Significant cost savings
3	Training Programs	Develop training materials	Conduct initial training sessions	Assess training effectiveness	Revise training materials based on feedback	Implement ongoing training programs	Build a highly skilled workforce to support operational excellence and innovation.	Number of training modules created, Number of employees trained, Improvement in employee performance	Enhanced employee skills, Improved operational performance, Increased employee satisfaction
4	Logistics Optimization	Analyze current logistics operations	Implement logistics improvements	Monitor logistics performance	Optimize inventory management	Integrate logistics with new ERP system	Reduce logistics costs by 20% while improving delivery times and reliability within 3 years.	Identification of bottlenecks, Reduction in transportation costs, Improvement in delivery times	Reduced logistics costs, Improved delivery times, Enhanced customer satisfaction
5	Sustainability Initiatives	Identify sustainability projects	Launch initial sustainability projects	Evaluate project outcomes	Scale successful projects	Integrate sustainability into operations	Become a leader in sustainability with a 50% reduction in carbon footprint within 5 years.	Number of projects identified, Percentage reduction in carbon footprint, Overall reduction in environmental impact	Reduced carbon footprint, Enhanced corporate reputation, Contribution to global sustainability efforts

7. Issues Assessment

We have divided problems into three categories according to needs

High Priority:

- - Fulda warehouse operational inefficiencies.
- - Moldovan plant quality issues.
- - Fragmented IT systems leading to poor data synchronization and inefficiencies.
- - Geopolitical risks affecting Moldova and China operations.
- - Sustainability and carbon footprint concerns.

Medium Priority:

- - Capacity expansion needs in the USA and China.
- - Integration of different company cultures post-acquisition.
- - Customer complaints due to delivery delays.

Low Priority:

- - Leadership and training discrepancies across sites.

8. Financial Analysis

Revenue and Cost Breakdown:

- Current Revenue: €500 million.
- COGS: €300 million.
- Gross Profit: €200 million.
- Operating Expenses: €120 million.
- Net Profit: €80 million.

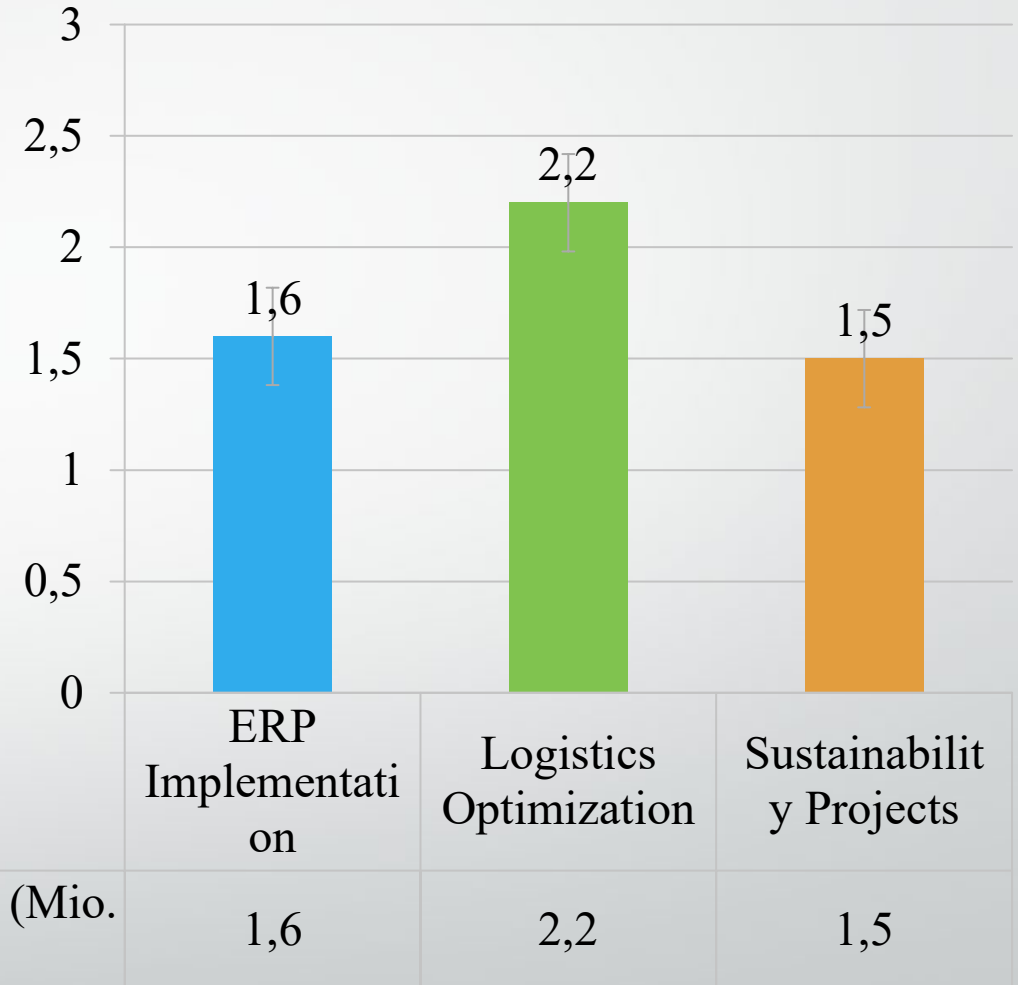
Cost Savings from Initiatives:

- ERP Implementation: €1.6 million/year.
- Logistics Optimization: €2.2 million/year.
- Sustainability Projects: €1.5 million/year.

Quality Metrics:

Scrap Rate/ Waste: Germany: 0.5%, Moldova: 0.5%,
China: 1%, USA: 1%

Cost Savings from Initiatives



9. Conclusion and Recommendations

ERP Implementation:- Seamless operations, significant cost savings









Training Programs:- Skilled workforce, improved performance.

Logistics Optimization:- Reduced costs, better delivery reliability.

Sustainability Initiatives:- Long-term environmental and business benefits.

Final Recommendations:

- Invest in ERP systems. . E.g SAP S/4HANA, Oracle ERP Cloud
- Focus on employee development.
- Optimize logistics.
- Commit to sustainability.

 NetSuite ↗	KEY FEATURES  12/12 i	RATING ★★★★☆ 4.1 (1525)
 Sage X3 ↗	KEY FEATURES  10/12 i	RATING ★★★★☆ 4.2 (74)
 Asana ↗	KEY FEATURES  5/12 i	RATING ★★★★☆ 4.5 (12631)
 TOPIX ↗	KEY FEATURES  11/12 i	RATING ★★★★☆ 4.6 (40)