

SPARE PARTS LOGISTICS



CUSTOMIZED LOGISTICS CONCEPTS

The spare parts logistics on the providers' side as well as the logistics on the side of the spare parts user are becoming increasingly important as sustainable competitive advantages.

See how Pierau Planung can add the competitive edge!

Welcome ...

... to Pierau Planung, your competent partner for logistics planning and consulting.

For over 50 years our team successfully plans and implements logistics solutions in Germany, most European countries and the Russian Federation. We support you in order to conquer your logistical challenges by offering our know-how and our experience for individual analyses, the optimization of logistics processes, for the planning of a warehouse or for bespoke supply chain consulting.



We cooperate with companies of every size. Although we are offering “greenfield” planning and implementations of logistics centers (we already have successfully completed multiple projects for renowned companies) we are more strongly focused on accompanying our customers in the long term from the very beginning.

Our team specializes in logistics planning and process optimizing for different branches, products, types of production and distribution channels.

Who are Pierau Planung?

Pierau Planung are planning partners for logistics concepts from Hamburg, Germany. We have designed and implemented logistics and supply chain solutions for more than 50 years.

Providing for branch stores or online shops ... shipping coffee, CDs or textiles ... small or huge turnover of goods B2C or B2B or both We design customized logistics concepts that not only cover current logistics requirements but provide for future developments as well.

Pierau Planung are 100% independent of manufacturers and suppliers. Therefore, we can create concepts that comprise the ideal degree of automation and selection of technology without hidden preselections.

Please find more detailed information and reference projects on www.pierau-planung.com!

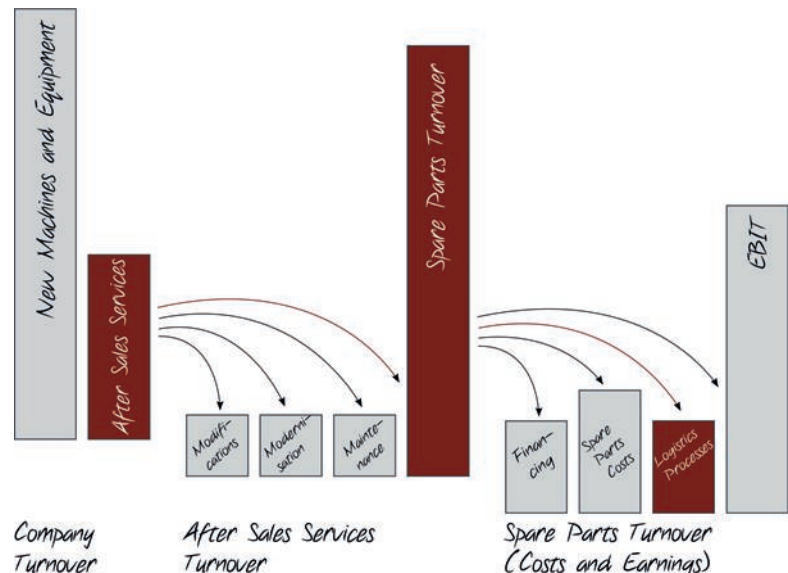
The Importance of Spare Parts Logistics

Spare parts logistics is considered the royal discipline of logistics. The spare parts logistics on the providers' side as well as the logistics on the side of the spare parts user are becoming increasingly important as sustainable competitive advantages. The logistics on both ends and the general logistics processes are to be optimized.

A wide array of services and the shortest delivery terms at low costs of logistics are of highest priority for the supplier. A high supply speed along the whole process chain is imperative. The pressure of cost forces the manufacturer to implement all means to reduce process costs and processing time and all means of economic optimization of the worldwide stock. Furthermore, the spare parts supplier gains upward leeway in terms of price formation when optimal delivery times and availability can be offered.

The user's goal is to ensure the maximum availability of production means and to entirely avoid the downtime of equipment and networked systems if possible. At the same time, the fixed capital must be kept as low as possible.

The general logistics models the interdependence of supplier and user.



Why not ask for more?

Our services comprise much more than analysing and planning logistics solutions. We offer a wide range of services for different branches, products and business models:

- Design and/or assessment of logistics concepts
- Implementation and project management of/for logistics solutions
- Building concepts
- Selection and evaluation of sites
- Concepts for warehouse management
- IT concepts and implementations
- Outsourcing
- Operational advising
- Training
- Selection of suppliers
- Optimization and modernization of running installations
- Supply chain analysis and optimizations
- 3PL selection

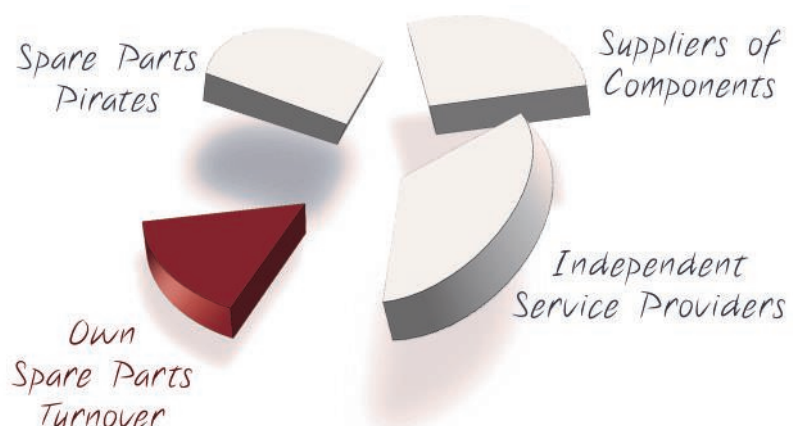
A reliable partner for our customers - not only for logistics topics!

What do customers expect from a spare parts provider?

- ✓ Customers must be able to quickly and easily identify the spare parts required (via a digital spare parts catalogue)
- ✓ Efficient returns and repair management
- ✓ Meticulous meeting of delivery terms
- ✓ Digital processing of spare parts orders (e-shop)
- ✓ Highest quality of spare parts
- ✓ Active demand management and continuous change management for spare parts
- ✓ Fast and high availability of spare parts sales
- ✓ Short reaction times when obtaining quotations and during clarification of technical aspects
- ✓ Short spare parts delivery terms and highest availability possibly (featuring an availability guarantee)
- ✓ Appropriate prices calculated with regard to quality / availability / delivery time / originality

—> **Underestimating customer expectations means losing spare parts turnover!**

Loss of spare parts turnover when customer expectations are underestimated:



Market development forces to contemplate strategies:

- ✓ The EBIT margin of spare parts can amount to as much as 40%
- ✓ Excellent service and the availability of spare parts are important factors to customer retention
- ✓ Excellent service and the availability of spare parts must be achieved at low process costs and low fixed capital
- ✓ The breadth of product range and component variety is increasing continuously. The innovation cycles are decreasing.
- ✓ The competition of free spare parts suppliers (pirates) and service providers is growing fiercer every year.
- ✓ Weaknesses of one's own spare parts logistics result in loss of highly profitable turnover and a decrease of highly important customer retention.
- ✓ Top-rate spare parts logistics entitles to high spare parts prices.
- ✓ Turnover and revenue of spare parts increase dramatically: the turnover in spare parts amounts to 70% of the service turnover in many branches.

Examples for Spare Parts Logistics

Oil and Gas Company



Upstream:

Searching and recovering crude oil and gas.



Downstream:

Refining activities for oil products and chemicals.

Car Manufacturer



Spare parts for own production facilities AND spare parts as independent products.

Spare parts for own production facilities

4 steps to reach top logistics benchmarks

1 Determination of key performance indicators and comparison with Pierau Planung benchmarks

2 Examination and determination of logistics processes, warehouse structure, warehouse sites and spare parts stock

3 Conception and program of measures

Hereby ...

- ✓ the planned processes are to be determined and an efficient supply chain management is developed
- ✓ the amount and the sites of warehouses required in the future are to be determined
- ✓ options for outsourcing of storage, commissioning, packing and dispatching of goods are to be examined
- ✓ a process oriented structural organization under one responsible person is to be created
- ✓ types of spare parts orders, planned availabilities and binding reaction and delivery times are to be determined
- ✓ an active supplier management is created through regular supplier assessments in accordance with spares-related requirements
- ✓ the best priced storage and commissioning technologies are determined
- ✓ an unambiguous and binding policy of returns is to be established
- ✓ a stringent IT system and an all-encompassing process controlling must be developed

4 Realization of developed conceptions, plans and measures by Pierau Planung

- ✓ Compiling of specifications
- ✓ Budget preparation
- ✓ Detailed planning
- ✓ Tenders
- ✓ Contract awards
- ✓ Project management
- ✓ Taking over of general contractor functions

Successful, efficient logistics processes that secure your future competitive edge!

Which results should you expect when cooperating with Pierau Planung?

Increase in turnover and a profit boost due to an improved competitive position.

Improved customer retention resulting from improved availability of spare parts and from reduced delivery time



Reduction in costs due to optimized logistics processes and therefore reduced stock

A high level of flexibility regarding the price formation for spare parts due to high-performance logistics

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