



Strategic Outsourcing for Competitive Advantage

▶ THE CHALLENGE

ACE's customer, a global leader in process technology, manufactures complex equipment for the food and pharmaceutical industries. Outsourcing component parts on an as-needed basis was becoming an expensive and time-consuming process for this valuable customer.

▶ THE SOLUTION

ACE's Strategic Outsourcing programs provide our customers with benefits well beyond the standard outsourcing methods of on-demand fabrication or machining services. Strategic Outsourcing encompasses a wide range of services designed to give YOU a competitive advantage. By shifting the responsibility of fabrication, administrative and assembly tasks to Ace, our customer could spend more resources on their core competencies - creating a competitive advantage.

FOR OUR CUSTOMER, WE PROPOSED TWO PARALLEL STRATEGIC OUTSOURCING SOLUTIONS:

Option one: Outsourcing by machine type. This option includes kitting, grouping together component parts, which eliminates wasted time while also ensuring all the component parts are at the right place at the right time. This option also includes mechanical assembly and subassembly of windows, doors and conveyors.

Option two: Full machine release; which allows the customer to send us an order for equipment that might have as many as 700 different component parts. Ace manufactures all component parts, inspects and sends kitted component parts to the customer, sequenced according to how they build the machine. This option allows the customer to receive a single SKU item, whether a kit or subassembly, and move directly to the assembly floor, saving the time and expense of receiving, storing and administrative tasks.

HOW DID OUR CUSTOMER BENEFIT FROM STRATEGIC OUTSOURCING?

Our customer reduced and, in some cases eliminated, internal processes like:

- Receiving parts
- Inspecting parts
- Material handling

The customer also experienced gains in:

- Increased capacity
- Quality of assembled parts
- Fewer production delays (time looking for lost parts)
- Administration – less purchasing and accounting time
- Reduced investment in capital equipment

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