



MRO- Machine Cutting Consumables (Blades & Coding Blocks)

Background

For flexible packaging lines for beauty care products, the cutting consumables were being taken from the OEM.

Objective

Develop an alternate fabricator to supply cutting consumables for the packaging machine and reduce dependence on OEM while also driving project for price reduction.

Challenges

- Cutting blades and coding blocks were purchased directly from the OEM; hence, the client was totally dependent on the OEM.
- As a result, price benchmarking was not done, and OEM was behaving as a monopolistic supplier.
- New supplier development and sample approval was very stringent, and approvals took a minimum of three (“3”) months.

Methodology and Tools

- The cutting consumables are used 24/7 in many packaging lines in various departments.
- Corbus conducted plant visits to three (“3”) new suppliers. Two of the suppliers were shortlisted based on physical plant visits and capability to deliver the product.
- Plant visits were organized for the suppliers to understand the exact requirements and speak to the end user. One sample blade was given to each supplier for developing and providing back a sample for approval.
- After a three (“3”) month trial, an alternate supplier was approved.

Results and Benefits

- ✓ Partial business was offered to an alternate supplier resulting in a cost saving of > 15%.
- ✓ Recommendation was approved by F&A.