

Caterpillar Prodotti Stradali enters the USA multinational philosophy with MaNeM, the on-demand solution by Joinet for Supply Chain Collaboration.



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Luca Partilora, Supply Chain Manager, CATERPILLAR PRODOTTI STRADALI

The history of Bitelli SpA begins in the Thirties, when Italy started to feel the need for streets more suitable for the first automobiles of the time. This necessity originated in the lively mind of Beppino Bitelli the idea to build a road roller. Since 1933 the firm has grown rapidly, developing a wide range of road machines and becoming a great industrial complex.

In 2000 a turning point occurred. Bitelli was taken over by the USA multinational company Caterpillar, the most prestigious house manufacturing road traffic machines, with head office in Peoria (Illinois). At present the firm, located in Minerbio (Bologna), manufactures and sells worldwide machines for road maintenance and repair, freeways, airport strips, ports, weirs, dumps and for the farming of opencast quarries. 250 people are totally employed to manufacture four different lines: road scarifiers, vibratory finishing machines, rollers and compacting machines.

AN EPOCH-MAKING CHANGE

The meeting between Bitelli and Caterpillar marked a significant change for both companies. Caterpillar completed its line of road machineries and was thus able to respond adequately to the needs of the European market. On the other hand, Bitelli boosted its activity through leading work methods and processes.

Luca Partilora, Supply Chain Manager of the former Bitelli company, today Caterpillar Prodotti Stradali, begins by saying: *"the entry in Caterpillar for us meant the adoption of a different approach to work. By using methods like 6 Sigma and Lean Manufacturing – methods aiming at*

reducing management costs and increasing products and services quality through quantitative and rational processes applied to the whole company structure – we entered the viewpoint of 'open' or 'plan' type orders".

In the past, the production process in Bitelli was founded on sales forecast. Once manufactured, machineries were stored in the storehouse where one-firm agents drew from every time.

Mr. Partilora states: 'now our head office urges us to move towards a totally different approach. We do not impose the dealer how many and which machines to sell anymore. Caterpillar dealers pass us the orders and from their receipt we have 4 weeks to deliver the product'. Such a short time implies a redefinition of the relationship with suppliers, too.

THE NEW MUST IS THE OPEN ORDER

In 2003 a new structure was created inside the former Bitelli, defined Supply Chain. Its main role was to introduce the methods for production planning used by Caterpillar. Mr. Partilora declares: *"the logistic area in Bitelli can be defined anomalous both for the complexity of the machines under production, and for the actors forming it. As a matter of fact, there is an office collecting sales forecasts from dealers and transforming them in production forecasts. Production and supplying plans are defined in parallel"* Mr. Partilora continues. Such a planning must necessarily involve suppliers, who take a central role in the process. Mr. Partilora declares: *"I believe it is necessary to 'slip one's arm under the supplier's arm' and share with them responsibilities and credits of production and supplying plans. In order to enter the planning philosophy, it is also necessary to get out of the closed, spot order loop, based on impromptu requests to suppliers and their slow and late deliveries".*

In order to ease the closed order migration to open state, with a 12/18 month plan, former Bitelli chose MaNeM, the on-demand solution developed by

SOLUTION OVERVIEW

AZIENDA:

- Caterpillar Prodotti Stradali

JOINET SOLUTION:

- MaNeM

ADVANTAGES:

- Complete integration with suppliers
- Optimization of the 'open' or 'plan-type' order management
- Logistic acceleration
- Reduction in stock level

Joinet. Its functionalities allow to manage the supply chain in the best way.

35 STRATEGIC SUPPLIERS WITH MANEM. IS THIS FIGURE GOING TO INCREASE?

Bitelli was looking for a technological solution capable to interface with the company's management system and to manage open orders. This led Bitelli to choose Joinet software in 2000.

"We appreciated MaNeM because it was easy to employ and it assured us safe data transmission through as fast a means as the Internet. In addition, it was a reasonable investment in comparison with other solutions" Mr. Partilora states.

FUTURE PROSPECTS

Caterpillar Prodotti Stradali is thus going to fully continue MaNeM project. They are aware that such a tool is indispensable to enter the Caterpillar philosophy completely. *"I am confident that in June 2005 we will be able to manage only plan-type orders. At that point we will be able to state that we crossed the threshold of the 4 week time delivery, which the head office imposed us. Delivery speed, easiness and punctuality will become our distinguishing marks"* Mr. Partilora concludes. Simultaneously, Caterpillar Prodotti Stradali will realize they completed the passage from a simple MRP (Materials Requirements Planning) system to a MRP (Manufacturing Resource Planning), fully integrated with the MPS (Master Production Schedule) for production planning.



At present the 10% of all suppliers are connected to MaNeM. *"35 suppliers out of the 350 working with open orders are connected and they thus interact with us on the basis of a defined plan. The remaining 90% continues to work with spot orders"* Mr. Partilora continues to explain. In the Caterpillar plants this proportion is reversed and they have very good results with regard to delivery punctuality, 'just in time' deliveries and goods crossing stock houses. Mr. Partilora declares: *"I believe that this 10 to 90 ratio affects our process of production and delivery to dealers. If we can reverse it, we will be able to respond to the Caterpillar standards. MaNeM employment on all our list of approved suppliers will allow us to facilitate logistics and keep stock low, which is fundamental for us"*.

MaNeM^o
Manufacturing Network Manager

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Luca Partilora
Supply Chain Manager, CATERPILLAR PRODOTTI STRADALI