



Tailor Made Solution For SEAT-VW Factory In Spain

Exel provides an all-encompassing supply chain solution for Seat and its suppliers in Spain. Incorporating the needs of all companies, the solution to this logistical problem is totally customer-focused and includes just in time/ sequence suppliers' processes to the assembly line. With orders for new cars being received every 35 seconds, Exel is able to react from time of order to actual assembly of part within a car within 105 minutes.

The Challenge

SEAT-VW's factory in Martorell, Spain produces the Ibiza, Cordoba, Toledo, Leon and Inca and vehicles bearing the well-known VW logo – the Polo, Classic and Caddy. At the nearby Supplier Park, there are 35 supplier companies employing 1,600 people in an area of 70,451 sq. m, with different component assemblies. To co-ordinate and manage the factory plus the mammoth supplier requirements, SEAT-VW required a tailor-made solution from a world-class supply chain specialist.

The Solution

As a global leader in supply chain solutions, Exel provides a customer-focused, dedicated service for SEAT-VW, offering an all-in-one solution for the car manufacturer and its suppliers. Exel operates as Logistics Operator for the just in time/ sequence suppliers' processes to the assembly line. In addition, the Exel contract also manages the Supplier Park.

Exel's innovative and dynamic technology-enabled solution is totally customer focused and utilises its existing industry experience and expertise to offer a wide range of benefits. This allows for full collaboration within each process of the assembly line and all the suppliers on the Industrial Park, and includes optimising the transport sharing shuttle trucks from suppliers to the assembly lines. Controlling materials 'on-line' via computer technology, whether inside the warehouse, in transit onto the trucks or at the assembly line in the SEAT-VW factory. Sharing maintenance resources and equipment such as fork-lift trucks, racks and tow trains. Developing computer and communications programmes which can be shared between all suppliers, while taking into consideration the particular characteristics and requirements of each supplier.

The Results

Since Exel's operation for SEAT-VW began in 1992, it has handled increasing volumes of production stock – nearly 95,500 components every day and nearly 6,500 components every hour – straight to the assembly line where 2,335 cars a day are manufactured. In 2001, it only takes a 105 minutes between a part being ordered by Seat and that part being assembled in the car. Orders are received as the car leaves the paint shop as this is the very first moment it is impossible to change the car sequencing operation. In order to build 2,335 cars a day, this means Exel is receiving the order for a new car every 35 seconds.

The benefits of having just one single logistics operator managing the supply chain has been considerable, since this offers greater flexibility and facilitates continuous improvement. While this was noticeable from its inception, continuous improvement has brought even greater advantages. As an illustration of this, the cost reduction in means and human resources for suppliers reached 25% after three years. Also, due to the shared use of the integrated supply chain offered by Exel to suppliers, they are able to only pay for the particular logistics services they use.

Car manufacturers such as SEAT, seeking to enhance their competitive edge can do so by focusing on their operations for the purchase and supply of materials and on achieving improvements in their production cycle. Exel's ability to deliver parts in sequence and just-in-time to the assembly line reduces the need for stock, while still ensuring a continuous flow of materials in sequence ready for production.