Case Kemppi

Kohti tehokkaampaa ja kestävämpää toimitusketjua digitaalisilla ratkaisuilla

Case: Order Management Layer

KEMPPI

An international forerunner of arc welding with a mission to enable building safer infrastructure.

We supply progressive products, digital solutions and services for professionals around the world.

Janne Karppinen
Vice President SCM

~800	**70+**	**2**
PROFESSIONALS	COUNTRIES WITH PARTNER NETWORK	**BRANDS** KEMPPI & TRAFIMET
195 M€	**3**	**16**
TURNOVER	**PRODUCTION LOCATIONS** FI, IT, CN	**SALES OFFICE LOCATIONS**

knowit

A Nordic powerhouse driving commercial and operational efficiency through digital transformation.

We support our clients in building futureproof value chains – from strategy to practice.

Veli-Matti Marttila
Senior Manager, Operational excellence

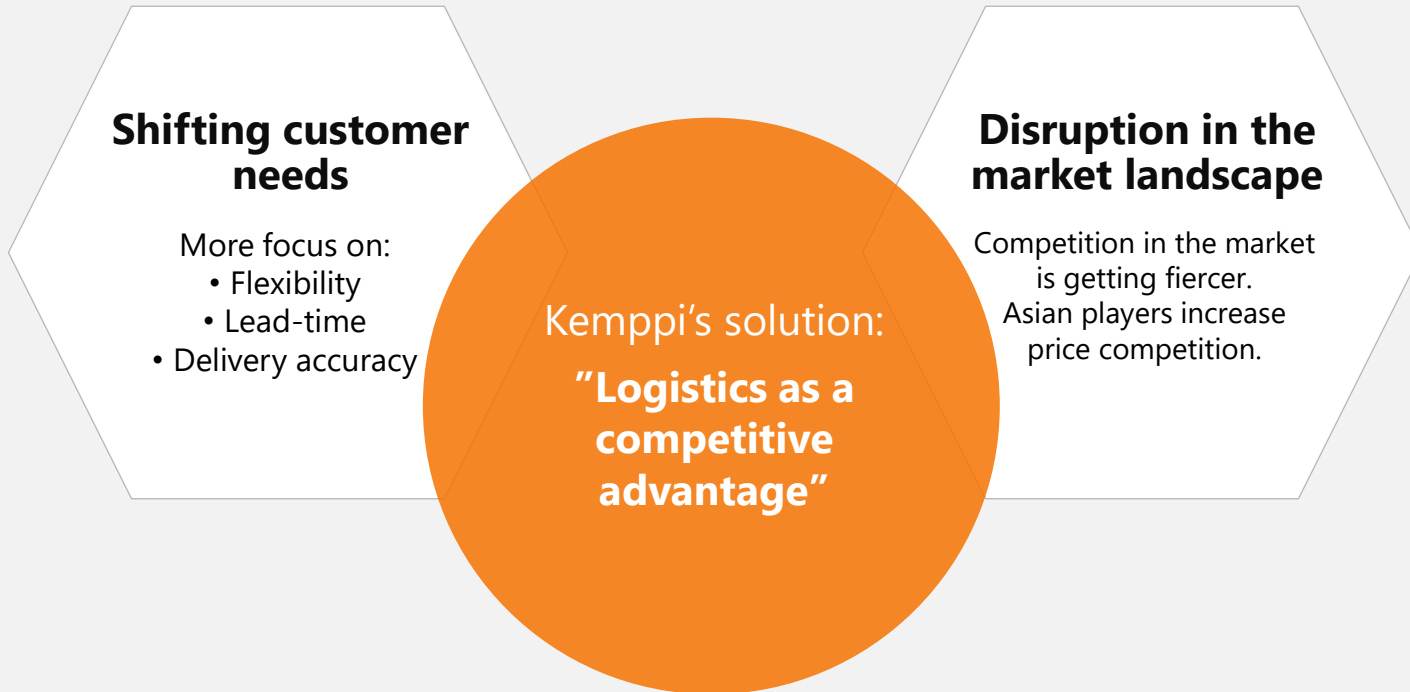| **4,400+**	**500+**
EXPERTS	EXPERTS IN FINLAND
613 M€	**6**
TURNOVER	**COUNTRIES** SE, NO, FI, DK, DE, PL

Agenda

- What are the challenges Kemppi was aiming to resolve?
- What was the chosen solution and how was it implemented?
- What kind of results can be achieved with the Order Management Layer?
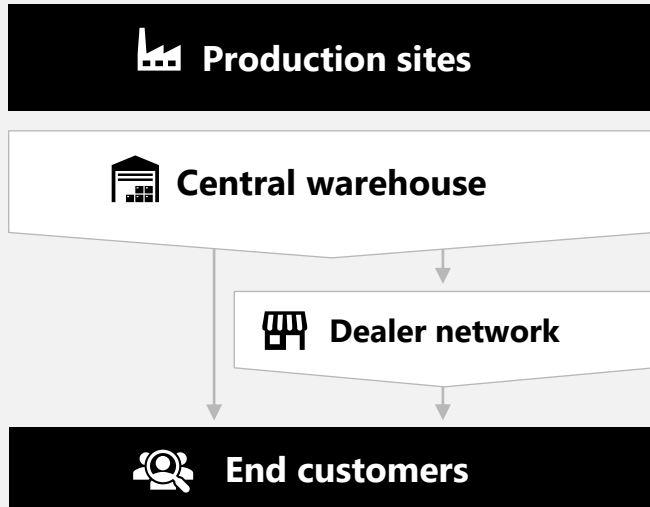- Q&A

Finding a value adding mean of differentiation

Shifting customer needs

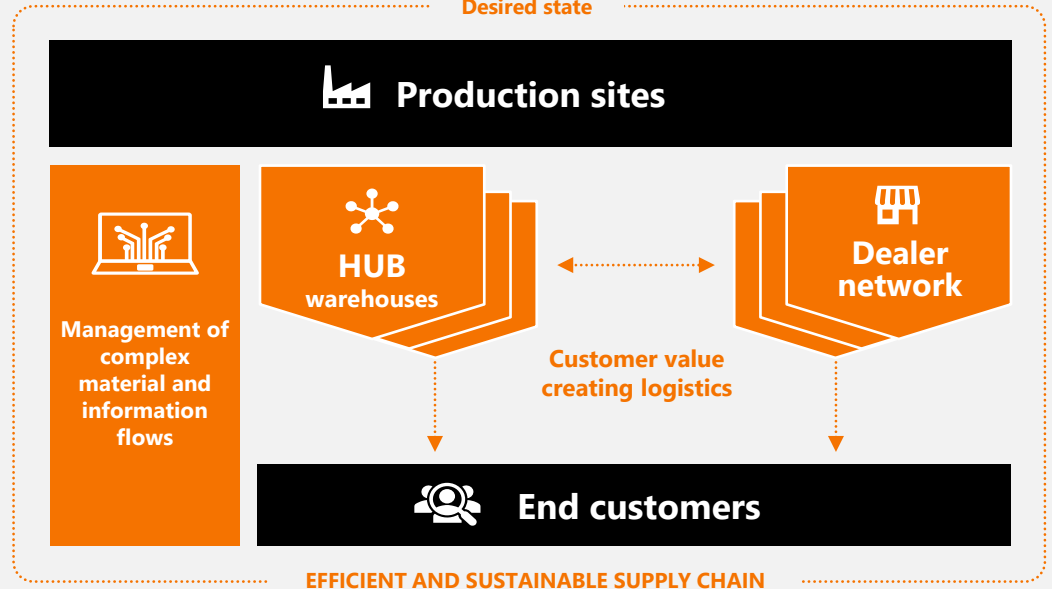More focus on:
• Flexibility
• Lead-time
• Delivery accuracy

Kemppi's solution:

"Logistics as a competitive advantage"

Disruption in the market landscape

Competition in the market is getting fiercer. Asian players increase price competition.

From supply chain towards supply network

Starting situation

Production sites

Central warehouse

Dealer network

End customers

- Kemppi's excellent dealer network close to end customers.
- The supply chain structure sometimes has challenges in efficiently meeting customer delivery time expectations.
- How to best serve the dealer network?

Desired state

Production sites

Management of complex material and information flows

HUB warehouses

Dealer network

Customer value creating logistics

End customers

EFFICIENT AND SUSTAINABLE SUPPLY CHAIN

- Moving closer to dealers and end customers.
- Enhanced customer service and assistance for the dealer network.
- Standardization of processes and functions is required:
  Customer experience should be the same regardless of the source of the delivery.
- Complex environment requires new features and capabilities from systems and processes.

Order Management Layer

- Process harmonization & governance
- Optimization calculation needs
- Modern technology for global needs

= Sustainability actions

Digital transformation in the core of change in SCM

Why?

What does it take in practice
to win the future
in a sustainable way?

What?

Challenging
the way of work

How?

Solving the
right problems

OML – How did we do it?

DEFINE NEEDS AND INPUTS
Company strategy

Sustainability, harmonization, scalability

RUN PILOTS AND LEARN
Build courage and trust, take controlled risks, technical and business wise

SCALE UP
Expansion of agile principles and implementation of delivery model

SCOPE, DESIGN, BUILD
Continuous work with an agile delivery model, end state and scalability plan. Maximize flexibility in resource use

SELECT AND FOCUS
Innovate, that is, to combine what you already have as strength. Digital services, welding digitalization pioneer, cloud based platforms, own products etc..
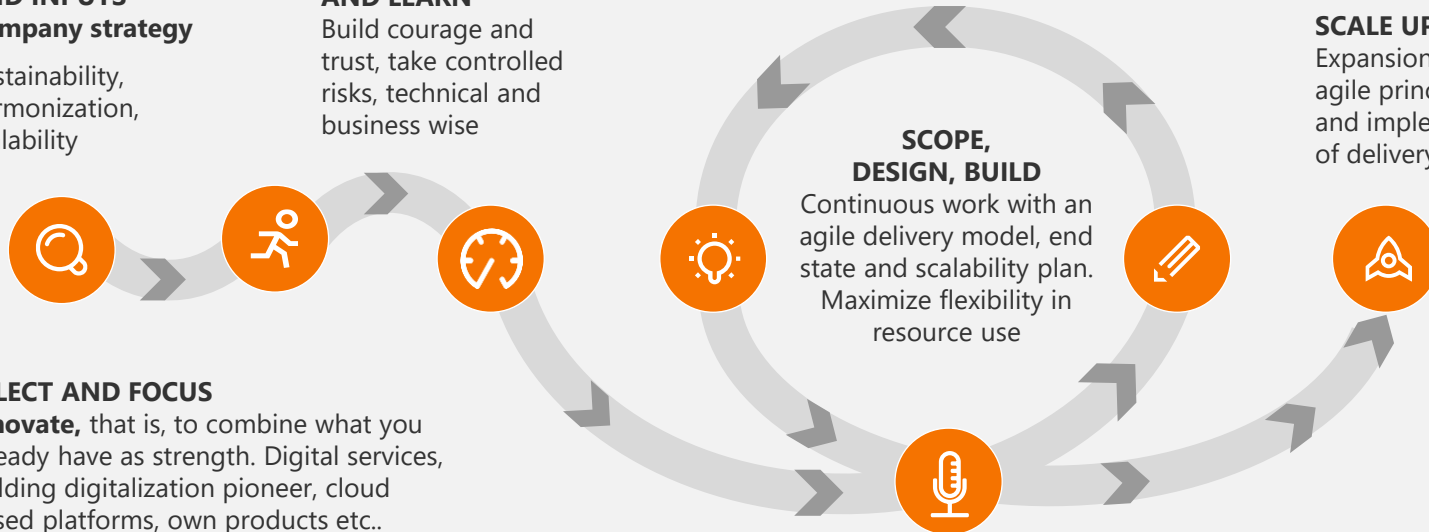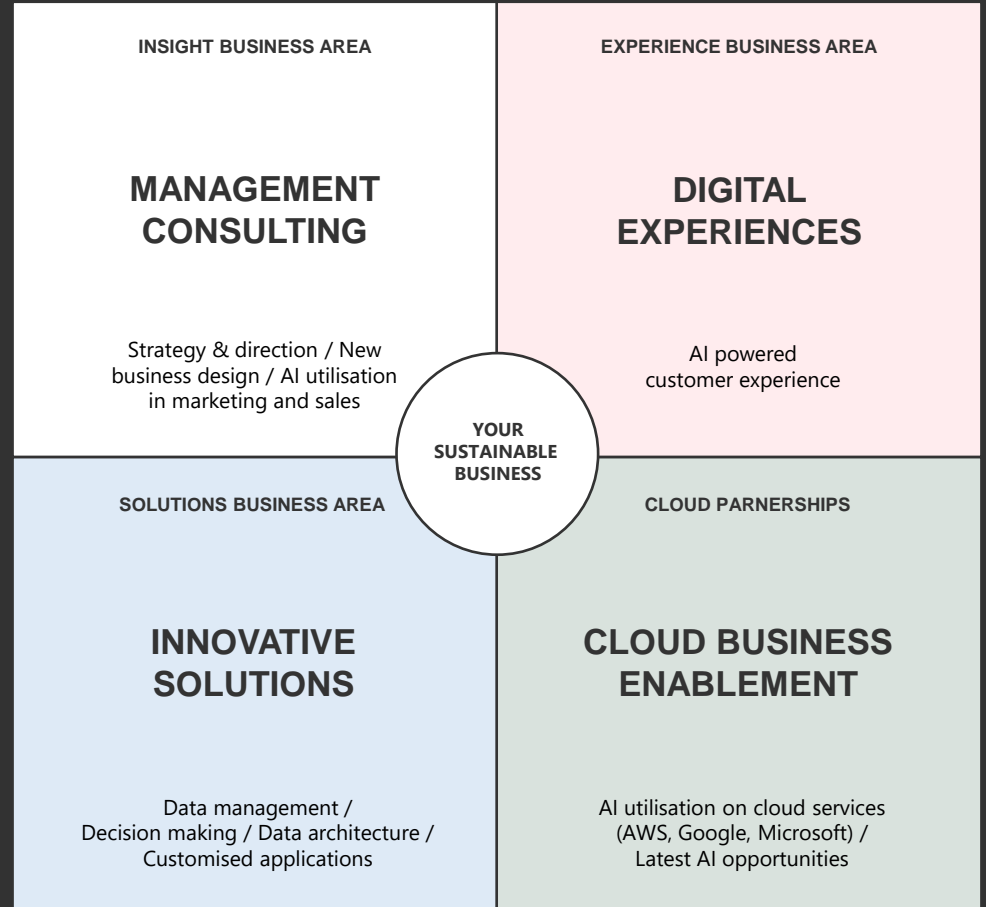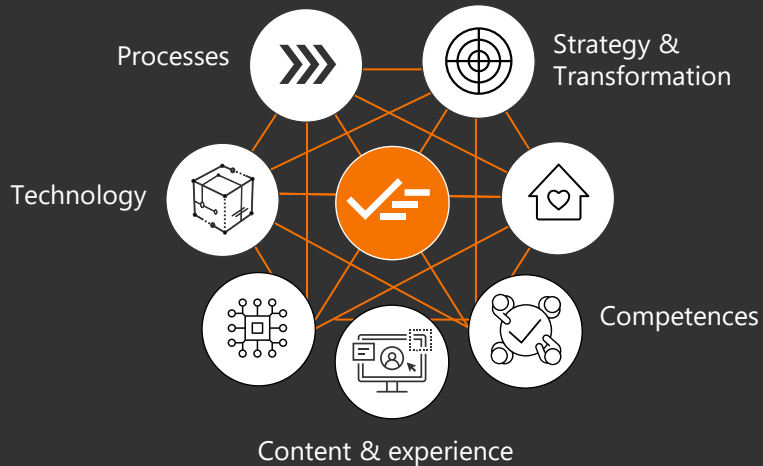
COMMUNICATE

Areas to consider

Processes

Strategy & Transformation

Technology

Competences

Content & experience

INSIGHT BUSINESS AREA	EXPERIENCE BUSINESS AREA
MANAGEMENT CONSULTING Strategy & direction / New business design / AI utilisation in marketing and sales	**DIGITAL EXPERIENCES** AI powered customer experience
SOLUTIONS BUSINESS AREA	CLOUD PARNERSHIPS
INNOVATIVE SOLUTIONS Data management / Decision making / Data architecture / Customised applications	**CLOUD BUSINESS ENABLEMENT** AI utilisation on cloud services (AWS, Google, Microsoft) / Latest AI opportunities

YOUR SUSTAINABLE BUSINESS

Areas to consider

PROCESSES

TECHNOLOGY

DATA

STRATEGY & TRANSFORMATION

CULTURE

COMPETENCES

CONTENT & EXPERIENCE

INSIGHT BUSINESS AREA

MANAGEMENT CONSULTING

Strategy & direction / New business design / AI utilisation in marketing and sales

EXPERIENCE BUSINESS AREA

DIGITAL EXPERIENCES

AI powered customer experience

SOLUTIONS BUSINESS AREA

INNOVATIVE SOLUTIONS

Data management / Decision making / Data architecture / Customised applications

CLOUD PARNERSHIPS

CLOUD BUSINESS ENABLEMENT

AI utilisation on cloud services (AWS, Google, Microsoft) / Latest AI opportunities

So, it ended up looking like this

A multi-layered solution

- Data
- Systems
- Mappings
- Processes
- Steering

= **All pieces connected**

STRATEGY

STEERING

PROCESSES

MAPPINGS

SYSTEMS

DATA

Agile and cost-efficient transportations

- Higher fill-rates

- Optimized fill of pallets

- Better predictability

- Combining shipments

- Controllability and flexibility of processes (brand portfolio)

Better customer experience

- Better product availability
- Faster deliveries, less lost sales
- Transparent and quick customer communication
- Service not tied to a brand

Less emissions

- Control over choices on fuel and logistics partners
- Less kilometers transported
- Less air freight

67%

less emissions in product's logistical carbon footprint
with regional replenishments

Even

~20%

less emissions as a whole
by increasing multimodal transportation

Thank you!