



Case Study

🕒 10 MIN READ

JBT AeroTech

BETTER SUPPLIER COMMUNICATION IMPROVES OTD,
CASH FLOW

“Who in the world thought, in the midst of a pandemic, that a company would see improvement in any metrics, let alone supply chain metrics and on-time delivery metrics?”

Terri Decker, Supply Chain Performance Manager at JBT AeroTech

31%

Improvement in
Supplier OTD

89%

OTD to Customers

76%

Reduction in
Missing Parts

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BEFORE

Missing Parts

Parts were missing on the production start date 31% of the time

Late Parts from Suppliers

Parts arrived from suppliers on time only 68% of the time

Low OTD

JBT AeroTech delivered on time to their customers only 69% of the time

Unacknowledged POs

When new orders were not acknowledged by suppliers, they were late 100% of the time

Manual Communication

Order changes were communicated largely through complex spreadsheets

Internal & External Challenges Addressed



AFTER

Fewer Missing Parts

Reduced missing parts at production start to only 8%

More Parts Arrived On Time

Parts arrived from suppliers on time 89% of the time

Increased OTD

JBT AeroTech delivered on time to their customers 89% of the time

Speedy PO Acknowledgement

Suppliers acknowledge new POs within 72 hours 86% of the time

Automated Communication

Order changes are tracked through SourceDay, instead of complex spreadsheets

"When all was said and done, we found the #1 issue to be communication. Our suppliers weren't communicating well with us; we weren't communicating well with our suppliers."



TERRI DECKER
Supply Chain Performance Manager at JBT AeroTech

As Production Started, Employees Wondered 'Where Is That Part?'

Makers of airport gate and ground equipment, JBT AeroTech experienced a boom in business in 2018. They relied on their Syteline ERP to help with demand planning, but they quickly recognized a problem. Despite strong demand planning tools, they often found themselves without vital parts on the day production was scheduled to begin for a product. In fact, they found that critical parts were late nearly $\frac{1}{3}$ of the time.

When business took a hit in 2020, JBT AeroTech had already taken huge strides to improve on-time delivery from suppliers. What they didn't know was just how much those improvements would positively impact other areas of their business.




As OTD Improved, So Did Cash Flow

In order to combat late supplier orders, JBT AeroTech had gotten in the habit of ordering extra inventory. Like many organizations, the negative impact of slowing down production vastly outweighed the cost of buffer stock.

As they began to use SourceDay's Supplier Scorecards regularly to guide conversations with suppliers, they watched late orders decrease. Finally, they could count on their suppliers with enough certainty that they no longer needed to carry as much buffer stock.

"At the end of 2018, we had well over \$1M in inventory of one supplier's product. At the end of 2020, it was about \$200k," Terri Decker said. That's \$800k in savings for only one of their few hundred suppliers. With decreased demand for aerospace products in 2020, the company luckily didn't have to look far to find massive cost savings opportunities.



"If a PO was not acknowledged, it was not going to be here when we started production — 100% of the time."



TERRI DECKER
Supply Chain Performance Manager

Improving Supplier Performance Meant Looking Within

Terri Decker was quick to admit that the processes JBT once followed made life challenging for their suppliers. "We would create these elaborate spreadsheets, telling the supplier what we wanted and when we wanted it, and we'd fire it off in an email," she said.

Recognizing that PO changes are an inevitable part of supply chain management, JBT vowed to do away with the complicated spreadsheets and to communicate changes through SourceDay instead, asking their suppliers to do the same.

These changes allowed JBT and their suppliers to have frank conversations around supplier performance for the first time, aided by supplier scorecards. "Once we got beyond the initial finger pointing, then the suppliers started seeing what their performance looked like and they wanted to get better," Decker said.

Supply Chain Automation Leads to More On-Time Deliveries

As a result of changing behaviors and leaning into technology, JBT found they could count on the parts they needed to show up when they needed them. They also found that they could eliminate large swaths of buffer stock as a result.

By the end of 2020, fewer than 10% of parts arrived after the start of production (down from 32%) and 86% of POs were acknowledged by suppliers within 72 hours. Most important of all, JBT delivered to their own customers on time nearly 90% of the time, up from only 69% in previous years. As Decker remarked, “Who would have ever thought, two years ago, we’d get there?”





Who We Are

SourceDay

SourceDay is a supply chain performance software that bridges the gap between the ERP and the supplier network, making it easy to manage changes throughout the direct spend lifecycle.



John Bean Technologies Corporation (JBT) is a leading global technology solutions provider to high-value segments of the food processing and air transportation industries. We design, manufacture, test and service technologically sophisticated systems and products for our customers.

Want to learn more?
Talk to SourceDay today!