



Case Study **MICHELIN**



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As the world leader in vehicle tire manufacturing, Michelin competes in markets throughout the world. In order to maintain and grow their global business, a highly efficient and effective supply chain is required.



Challenge

After reviewing their supply chain practices, the first area of emphasis was the manufacturing of Original Equipment (OE) tires. The primary charter of the OE supply chain is to achieve perfect service levels to avoid delaying the car production line for their customers. The pressure to keep inventories at controlled minimums, while having to deal with volatile customer demand signals, was extremely challenging. Despite being a global tire leader, Michelin felt there was still room for improvement in this link of the chain.

“Currently, communication with the Valladolid factory is more fluid and this allows us to be able to respond even to modifications of firm orders.”

JESUS GARCIA MENENDEZ | LEAD PROCESS ENGINEER



Solution

Michelin selected Intuiflow® from Demand Driven Technologies and engaged in a pilot project. The company selected their Valladolid (Spain) factory to develop a Demand Driven MRP (DDMRP) project to address the customer service challenge, improve inventory levels and better react to the constantly changing customer demand signals.

The implementation of DDMRP concepts within the solution buffer positioning, sizing, demand signal filtering, planning and execution processes improved information bi directionally and material flow towards the customer.

The results were immediate and enabled Michelin to:

- Reduce inventory by 20%
- Increase service levels from 91% to 99%
- Reduce lead times by 15%
- Stabilize the production schedule
- Anticipate possible service disruptions at the production line and take early action to avoid impacting the supply chain.

After seeing success with their pilot at the Valladolid factory, Intuiflow was rolled out globally, with plans to expand in over 70 facilities worldwide.

Results achieved
at Michelin with
Intuiflow

20%

INVENTORY
REDUCTION

99%

SERVICE LEVELS

15%

LEAD TIME
REDUCTION

