

ADDING VALUE WITH COST REDUCTION

PARTNERING WITH OUR CUSTOMERS

1 THE PROBLEM

Burdened by high working capital cost, a customer of Worthington Industries asked for assistance with different cost-savings efforts that would benefit both parties.

The customer and Worthington Industries both suffered from a less-than-ideal ordering process.

Both parties teamed up and took the time to understand each other's processes with the goal of developing a robust relationship.

2 THE APPROACH

Worthington Industries took this opportunity as a way to partner with the key customer and develop defined processes and procedures.

Worthington Industries presented the customer with measures that would save both parties working capital while establishing a new order process.

Teaming up with the Worthington Industries Material Support and Solutions team, the customer would also institute a tight gauge control monitoring system.

3 THE DELIVERY

By establishing a Kanban system, a better ordering process was developed and working capital was reduced.

Working with the Worthington Industries Material Support and Solutions team, the customer was able to increase linear footage by implementing tighter gauge tolerance.

Utilizing the Worthington Industries Price Risk team, the customer was able to use different hedging opportunities in order to quote future jobs with less risk.

4 THE OUTCOME

By implementing a Kanban system and establishing a new order process, both parties reduced working capital and lowered customer lead time by 60%.

A Worthington Industries-generated monthly gauge tolerance report is sent to the customer allowing for gauge monitoring.

By providing cost saving measures and increasing value while also protecting the customer's margin, Worthington Industries and the customer fostered a robust relationship.