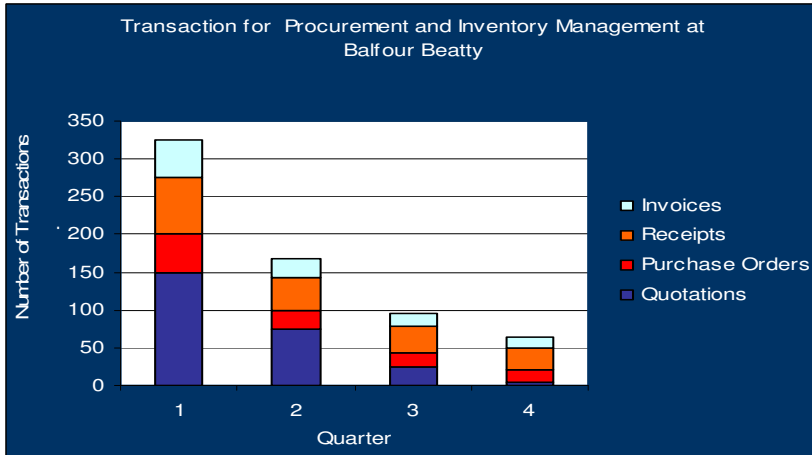




Increased Efficiency Through 'Remote Warehouse'



Unipart Rail implemented a lean stock management process for Balfour Beatty's infrastructure renewal contract with Network Rail.

Balfour Beatty manages Rail Renewals for Network Rail in the South East and Great Eastern regions of the UK rail network.

Balfour Beatty has a five year contract with Network Rail valued at £115m per annum and are responsible for renewing the rail infrastructure. Balfour Beatty sometimes have to complete the renewal works at very short notice, they therefore require professional supply chain partners with the expertise to enhance the service that they provide.

Balfour Beatty requested Unipart Rail to provide them with an integrated solution, that would help Balfour Beatty to improve their contract performance for Network Rail, whilst reducing their costs.

Unipart Rail were aware that the failure to deliver results could cause Balfour Beatty to incur massive penalties, as well as running the risk of not having their contract extended.

The Signalling Renewals portion of the contract was identified for the pilot solution, as it's a critical element in terms of performance. It would therefore provide a relevant benchmark for how effective the solution could be to the whole operation.

Unipart Rail worked closely with Balfour Beatty to identify their precise material requirements for the renewal work. By helping the customer to focus on their exact needs, it eliminated over-stocking and over-ordering of materials 'just in case'.

Balfour Beatty

Industry Sector

UK Infrastructure.

Issue

Balfour Beatty needed an integrated solution that would assist them in the improvement of contract performance for Network Rail.

Solution

The use of Unipart Rail's 'Remote Warehouse', on-line ordering and stock management system, and a dedicated Planning Manager provided by Unipart Rail.

Benefits

Unipart Rail helped to reduce Balfour Beatty's stockholding by 95% and significantly reduced Balfour Beatty's procurement, finance and warehousing overheads.

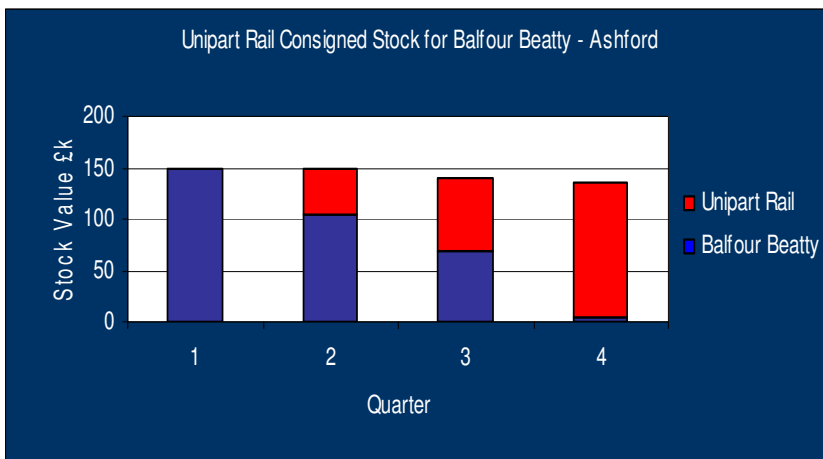
Next Steps

Balfour Beatty have asked Unipart Rail to propose a solution for the remainder of their renewals operation.

The Solution

Unipart Rail used their 'Remote Warehouse', on-line ordering and stock management system and had all the materials sourced through them. This significantly reduced Balfour Beatty's procurement, finance and warehousing overheads and processes, reducing their overall material costs for the renewals work.

Unipart Rail dedicated a Planning Manager to the contract to provide an on-site contact who was always available to resolve any issues, particularly around managing urgent & unforeseen material requirements. They were responsible for reassessing the customer needs at every step of the contract implementation, to continuously improve the service provided to Balfour Beatty.



Balfour Beatty were investing in excess of £150,000 in stock of signalling equipment to service the contract, Unipart Rail reduced Balfour Beatty's stockholding by 95% and stock value by over £140,000 within the year, with availability and performance increasing at the same time. These significant savings were achieved through the use of Unipart Rail's consignment stock, which was only invoiced when used.

Performance has improved under the stewardship of Unipart Rail, Balfour Beatty have been so impressed they have asked Unipart Rail to propose a similar solution for the remainder of the renewals operation. This operation which currently has a stock holding value of over £1 million and many more supply chain transactions than the signalling element. Unipart Rail estimate that they will enable Balfour Beatty to save a further £150,000.

For more information:

Unipart Rail, Gresty Road, Crewe, Cheshire, CW2 6EH UK

T +44 (0)1270 847600 **F** +44 (0)1270 847601

E enquiries@unipartrail.com **Web** www.unipartrail.com