

Software simulations for an optimized Supply Chain

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Avery Dennison, a global leader in pressure-sensitive technology and innovative self-adhesive solutions for consumer products and label materials, uses Axxom's software ORion-PI® Value Network Optimization to optimize the supply chain of its Fasson Roll North America (FRNA) division. The software enables FRNA to easily analyze and simulate different scenarios for its production and distribution network and to identify and realize optimization potential.

Fasson Roll North America (FRNA) produces rolls of paper and synthetic label stock material in six plants in the United States and Canada. These rolls are slit according to customer orders in 17 distribution centers and are delivered to a large number of national and international customers. From the planning of the production through transport consolidation up to the fulfilment of customer-specific service levels, overall supply chain planning is very challenging.

To optimize this complex supply chain, the following questions are crucial: Which bulk product will be produced at which plant? Which products ought to be stocked in which distribution center? How can waste costs at the slitter level be minimized by the intelligent combination of customer orders? And which distribution center will serve which customers? Within its multi-stage supply chain, FRNA had to consider not only classical supply chain factors such as production and transportation costs but also reducing losses at the DCs and delivering to customer-specific service level requirements. Furthermore, aspects of transportation consolidation increased the complexity of the project as many of Fasson Roll North America's customers order a number of different products that are produced in different plants.

With the implementation of ORion-PI® Fasson Roll North America is now able to calculate an optimized allocation of products to plants and distribution centers together with an optimized strategy for customer delivery. The software allows the simultaneous optimization of production and transportation costs taking into account slitting losses and all technical and commercial constraints. Fasson Roll North America benefits greatly from significant savings that could be identified via the employment of ORion-PI®. By using simulations and what-if-scenarios the effect of fluctuations in demand, rising transport costs, different service levels, changes of capacities at plants and distribution centers and the like can be analyzed. The complex supply chain has become a lot more transparent.

„ORion-PI® allows us to cover the complexity of our supply chain and to easily simulate different scenarios. By this we are able to identify potential for optimization, reduce the Total Cost of the internal Supply Chain whilst not adversely affecting the service we provide our customers”, says Roger Machado, Global Supply Chain Director, Roll Materials, Avery Dennison.

Axxom Software AG is an international provider of software solutions and services for the comprehensive optimization of value-add processes. With its software ORion-PI® the technology company offers a solution for the design, simulation, planning and optimization of all business processes and systems in all fields of logistics. ORion-PI® is in use on five continents in more than 35 countries. Axxom Software AG was founded in April 2001. Since 2004 Axxom has a development center in Timisoara / Romania.

Axxom Software AG
Jens Verstaen
Paul-Gerhardt-Allee 46
81245 München
Tel.: +49 (0)89 / 568 23-321
Fax: +49 (0)89 / 568 23-399
E-Mail: jens.verstaen@axxom.com
Internet: www.axxom.de

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