

ALFA
LFA

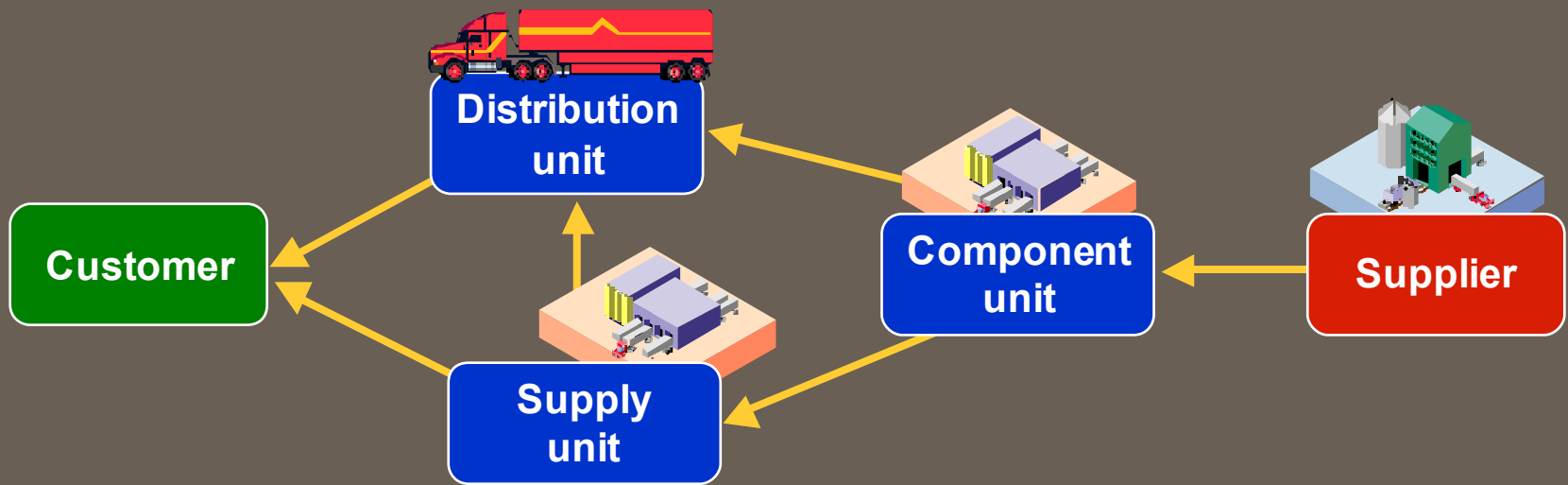
Logistics & Manufacturing

Göran Mathiasson
Executive Vice President
Alfa Laval Group

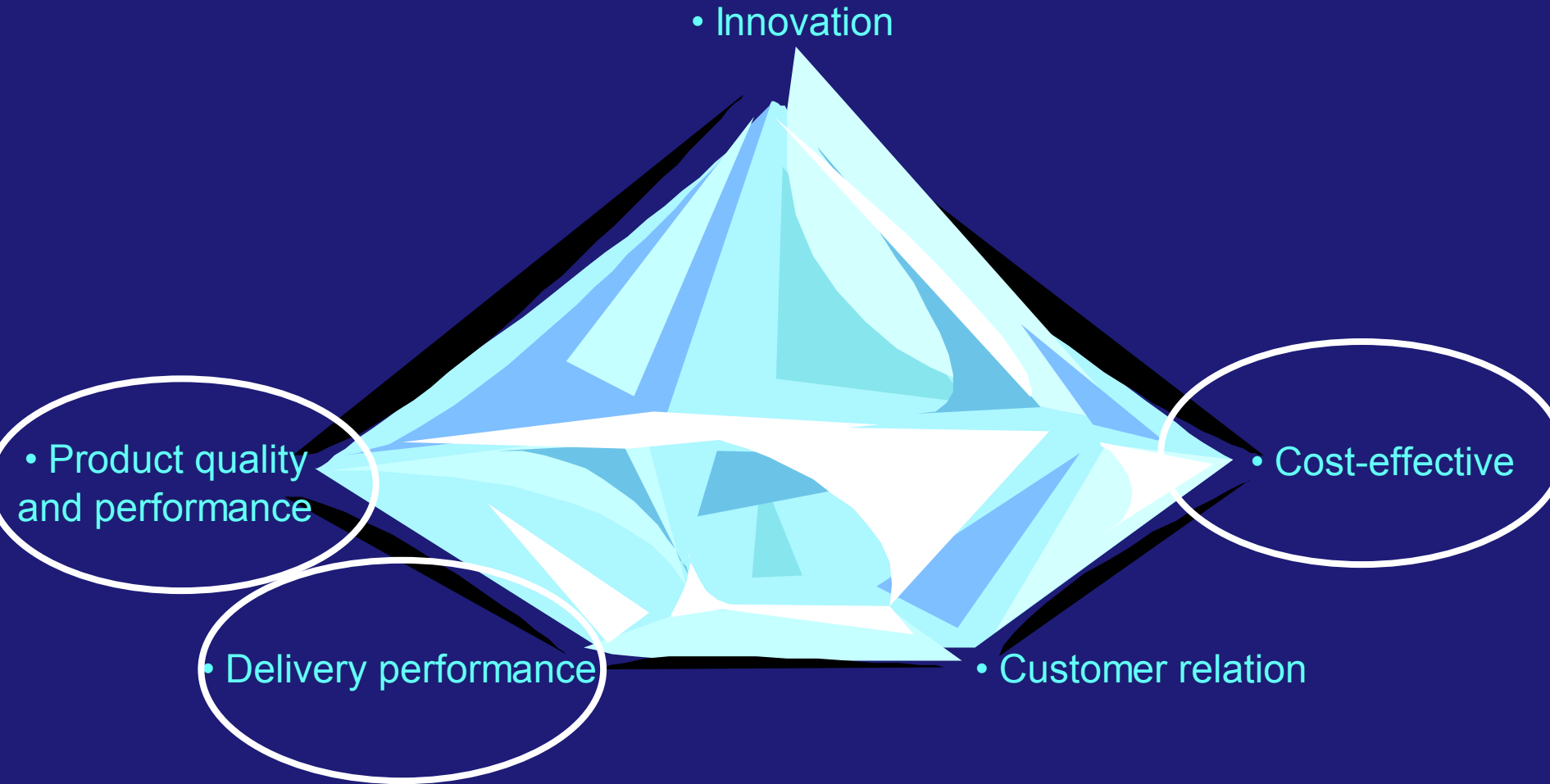
Key figures

- Number of product groups 10
- Number of manufacturing units 20
- Number of distribution units 7
- Number of suppliers 3,000
- Number of people 3,950

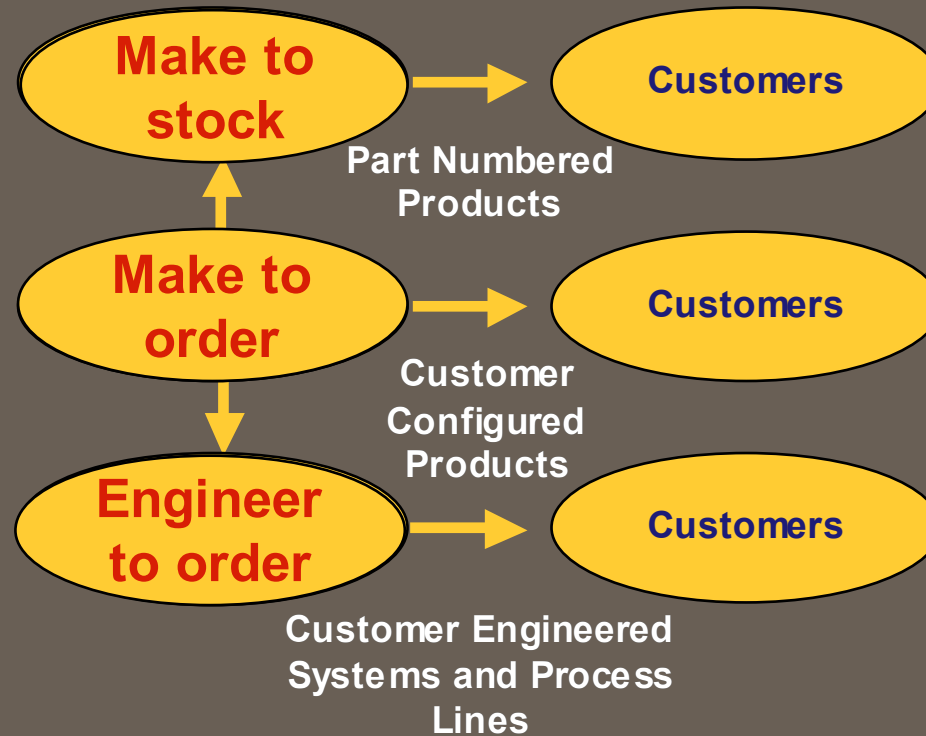
Organized to meet market demands



Business concept Equipment

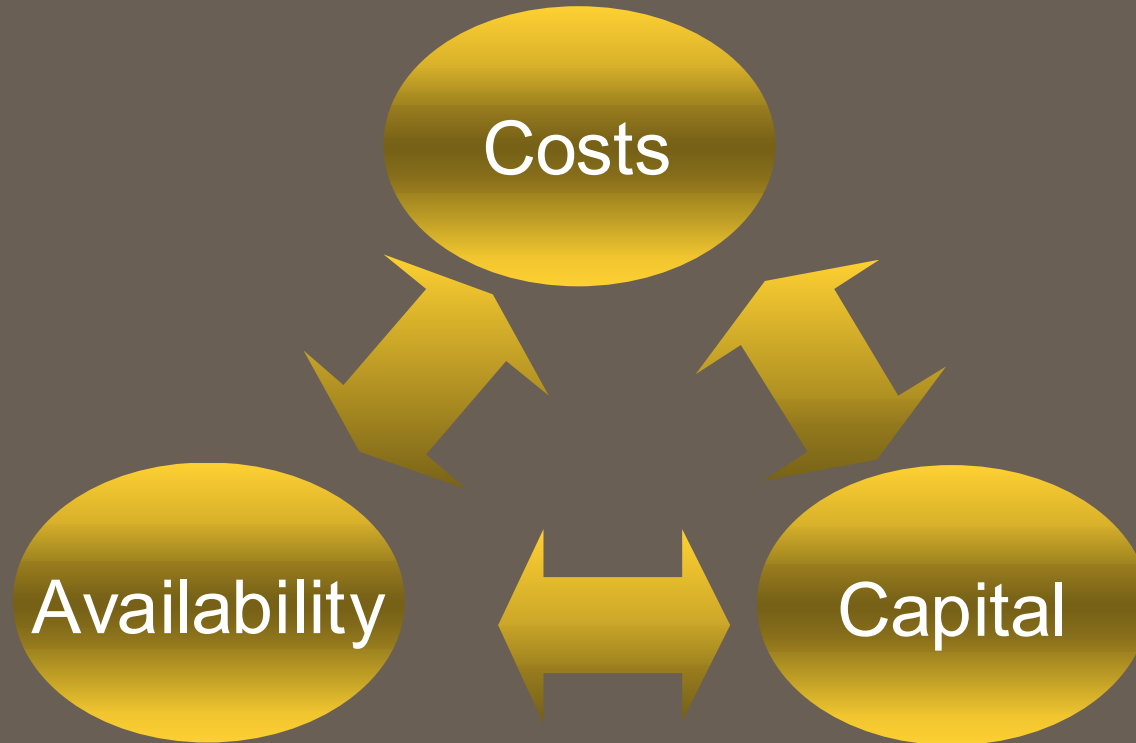


Alfa Laval's Supply Chains

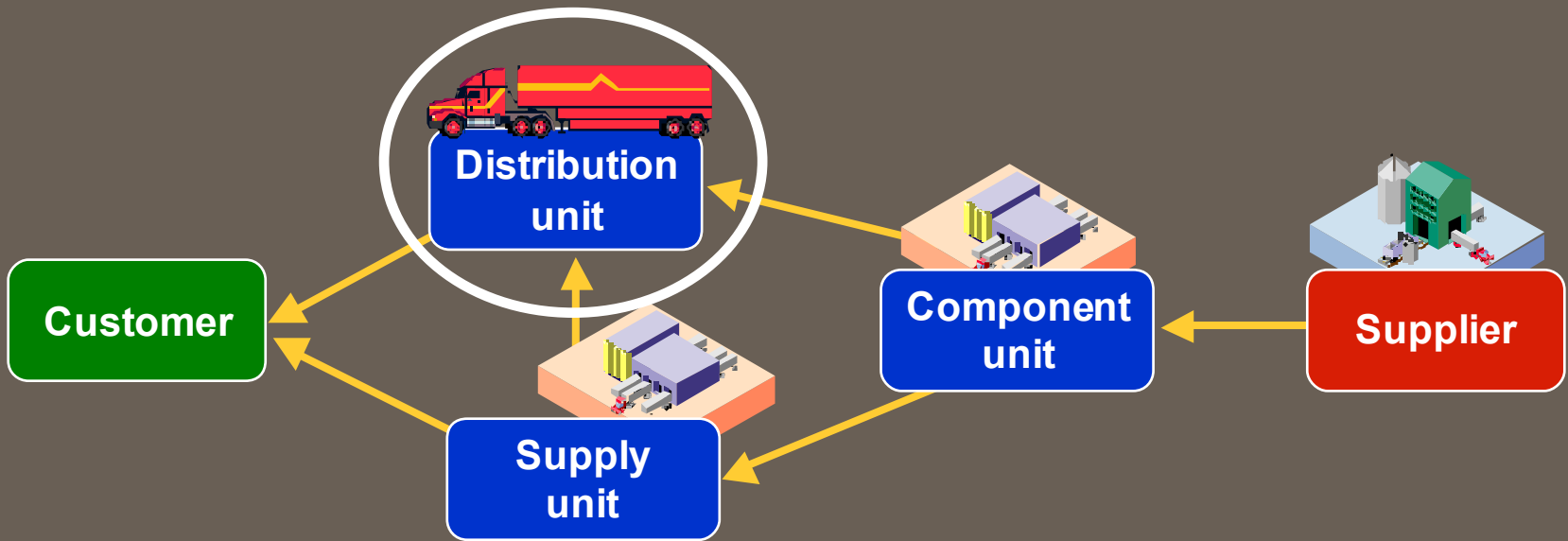


Designing & Optimizing the Supply chains

Balancing between parameters



Organized to meet market demands



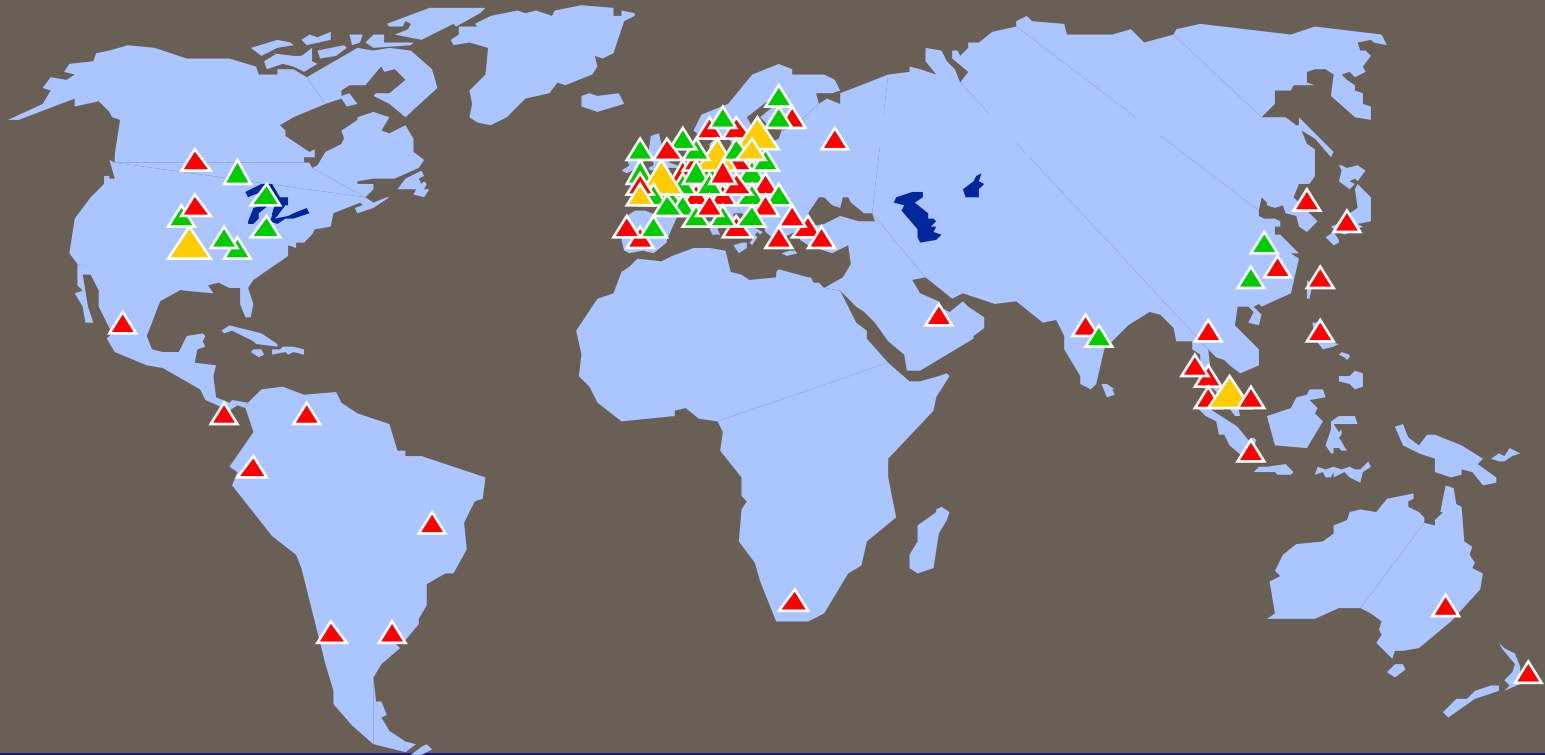
Genuine spare parts distribution



- Spares 24-48 hours
- Emergency delivery service
- > 95% spares service level
- 24 hour Hot Line

Distribution network

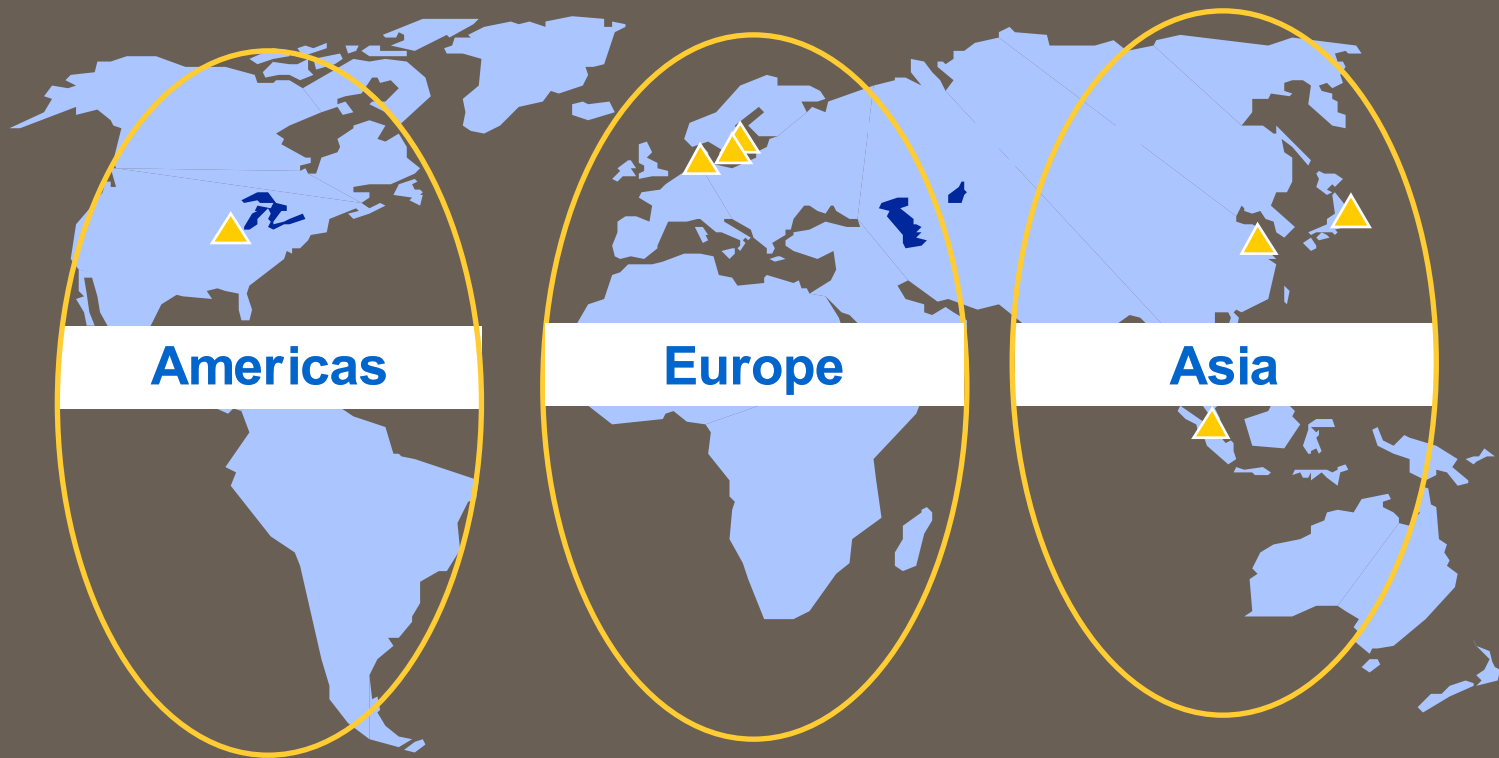
Distribution Structure 2000



▲ Sales Company-inventories (~90 in all) ▲ Manufacturing inventories ▲ Logistics inventories

Distribution Network

Distribution Structure 2004



Distribution Center, Indianapolis



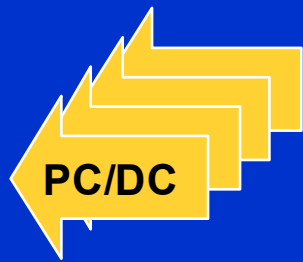
400 orders per day

1,500 orderlines per day

75% delivered the same day as the order is received

20,000 item no in stock

Product supply agreement



Follow Up
Corrective
Actions



Product
Supply



Product Supply
Agreement



Market
Requirements

Weekly measurements

ALround

Key Performance Indicators (KPI)

Operations

Here you can find the Key Performance Indicators (KPI) for all Alfa Laval Manufacturing sites and Distribution Centers.

If you have any questions please contact:
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Phone +46 46 36 65 00



Logistics

(Updated every Tuesday)

- [Availability & Delivery Development \(.xls\)](#)
- [Delivery Accuracy Confirmation Dev \(.xls\)](#)
- [Delivery Accuracy Request Dev. \(.xls\)](#)
- [Gross Inventory Development \(.xls\)](#)
- [Inventory Development \(.xls\)](#)
- [STAR GOAL \(.xls\)](#)

Manufacturing

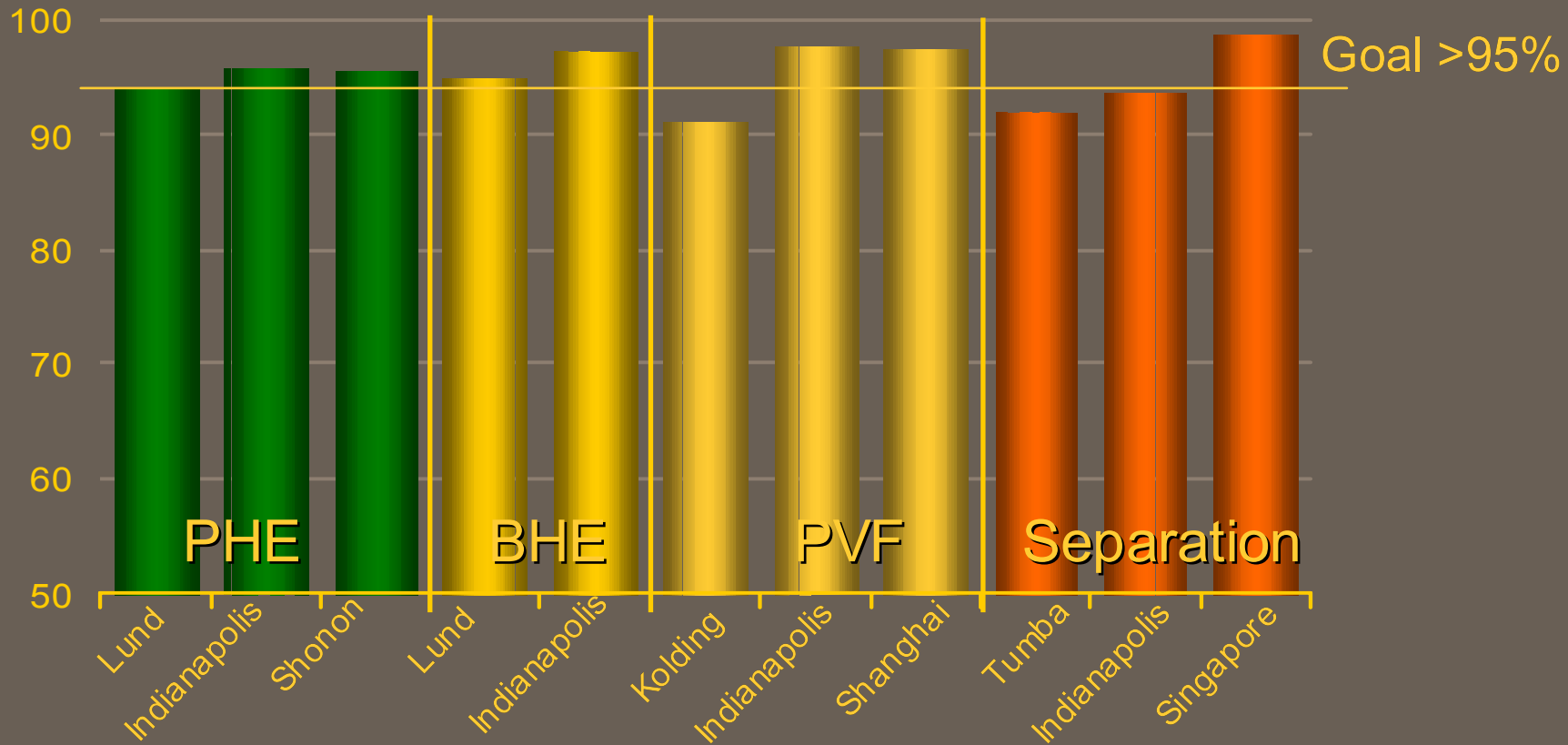
(Updated every Wednesday)

- [Delivery Accuracy Summary \(.xls\)](#)
- [Delivery Acc per Manufacturing Site \(.ppt\)](#)
- [STAR GOAL](#)

- + * ACHEMA 2003 *
- + One Alfa Laval
- + Applications
- + Business Development
- + Communications
- + Facts & Figures
- + Financial Matters
- + Human Resources
- + IT
- + Legal/Insurance Matters
- + Local Webs
- + Logistics
- ▣ **Manufacturing**
 - Key Performance Indicators
 - + Manufacturing Sites
 - Delivery Time Lists
 - Organisation
 - Star Goals
 - Product Map
 - Supply Map
 - + Production Development
- + Market Information
- + Materials
- + Operations
- + Organisation
- + Parts & Service

Delivery Accuracy Logistics

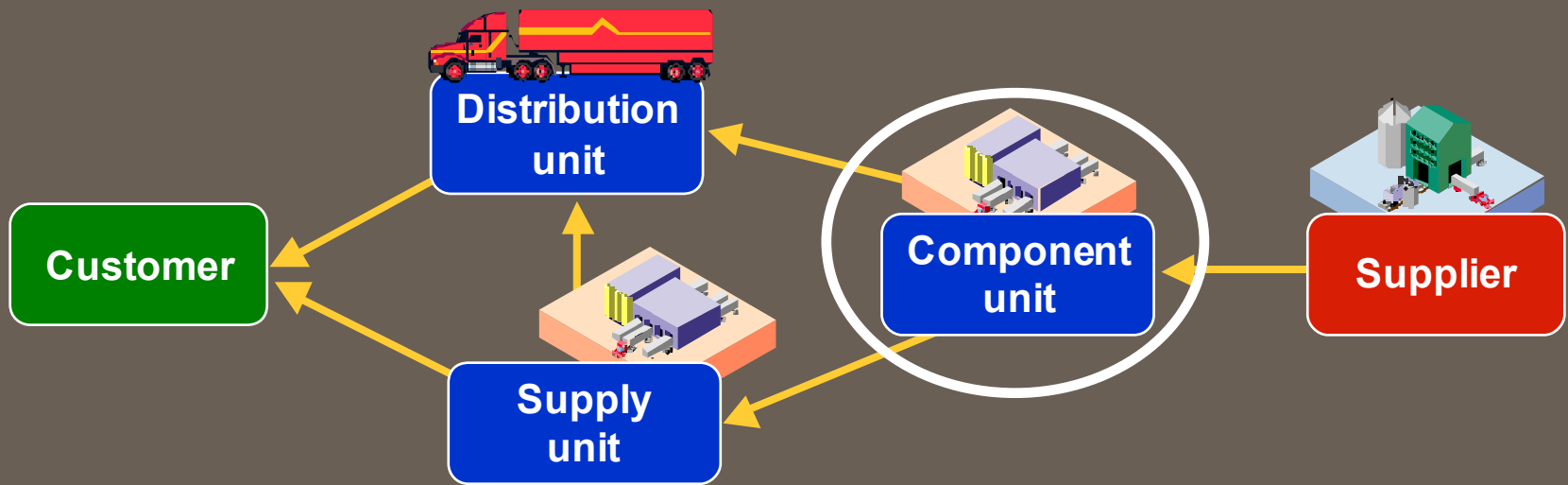
W27, 2004, 10 weeks rolling average = 93,8 - YTD = 91,4



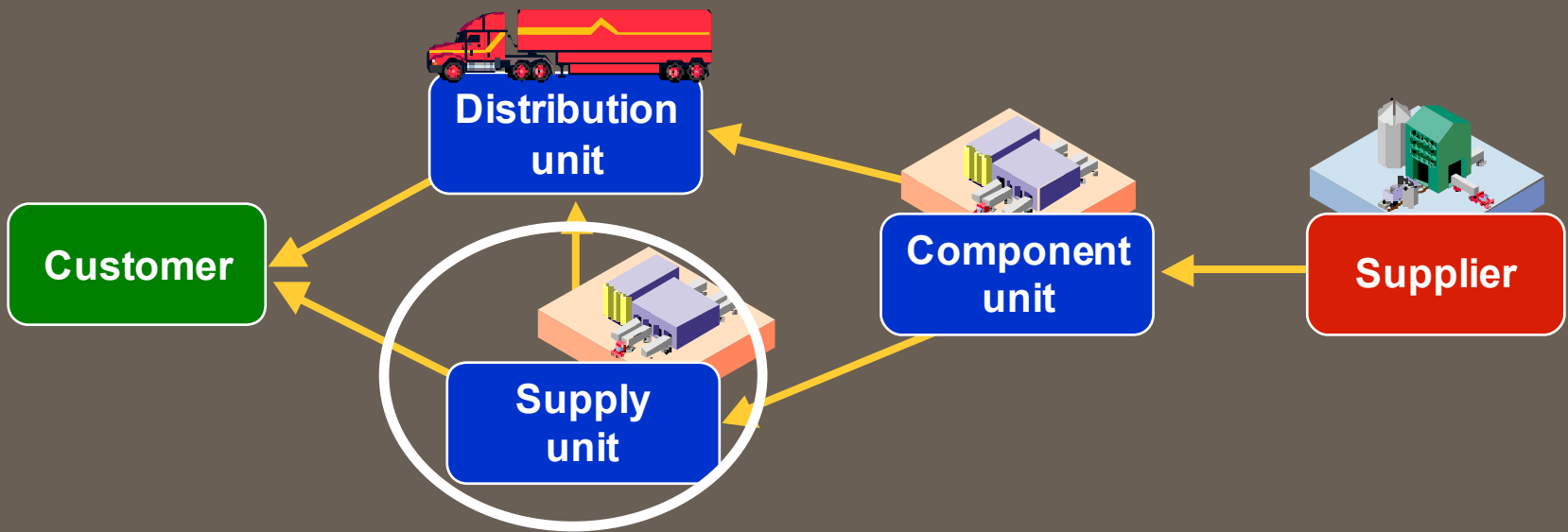
Manufacturing Sites



Organized to meet market demands



Organized to meet market demands



Kolding, Denmark



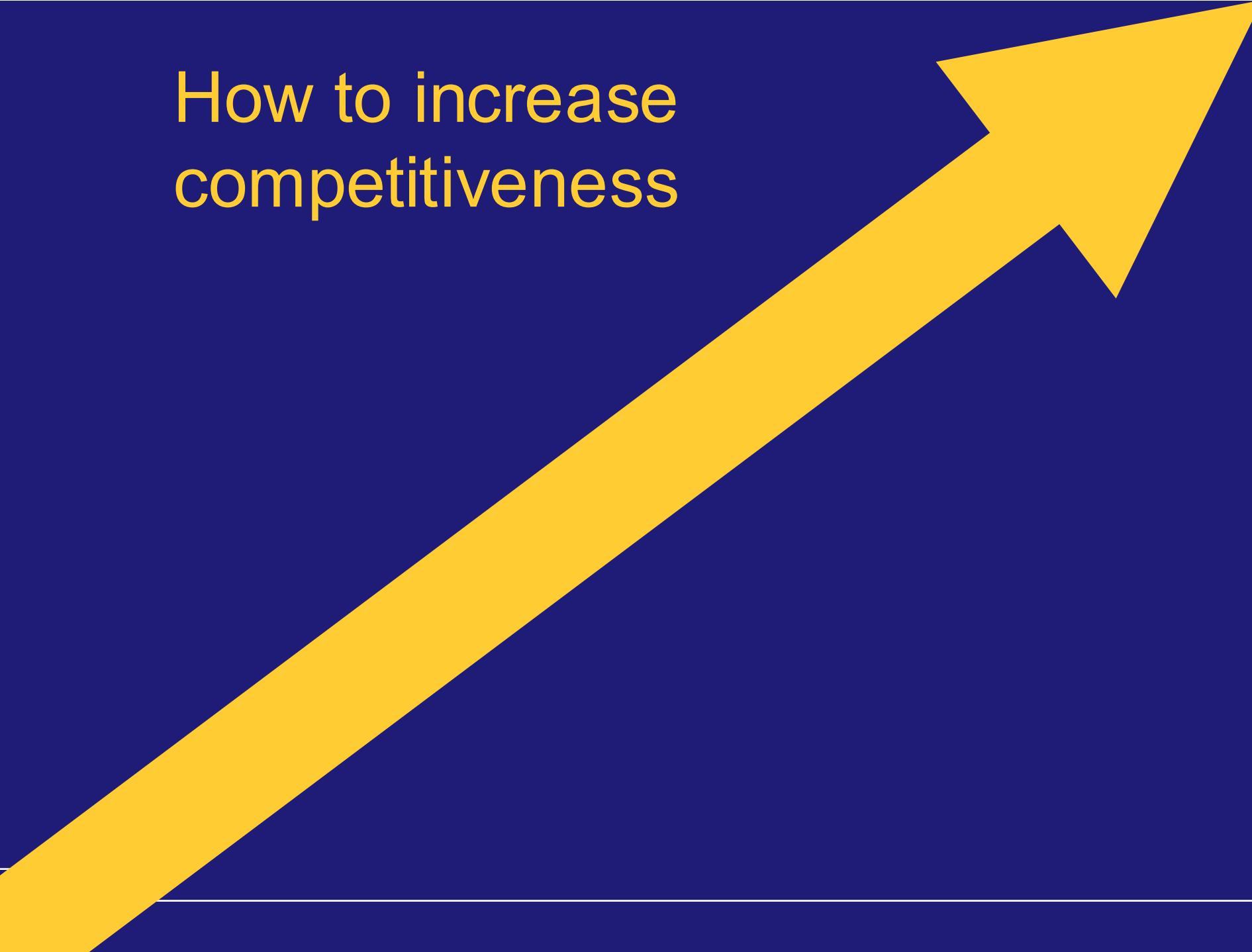
Delivery accuracy above 95%

60 orders per day

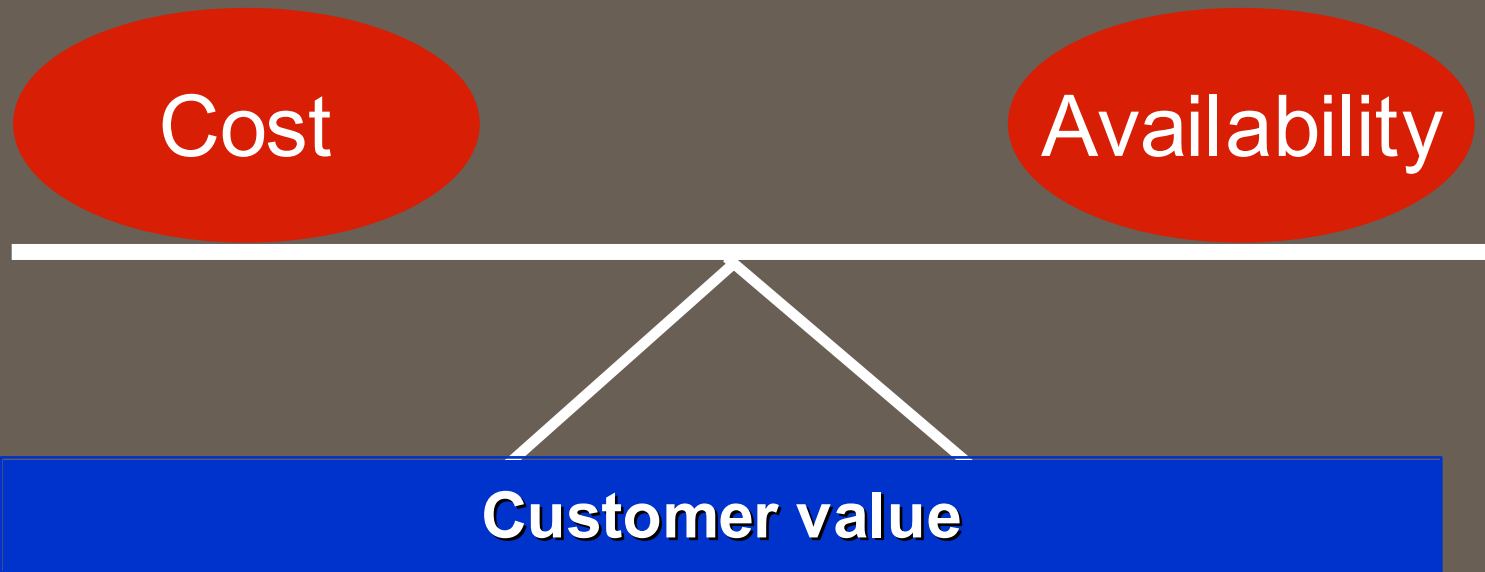
Delivery time: Fast track 5 days. Normal 10-15 days

2,800 variants = high flexibility

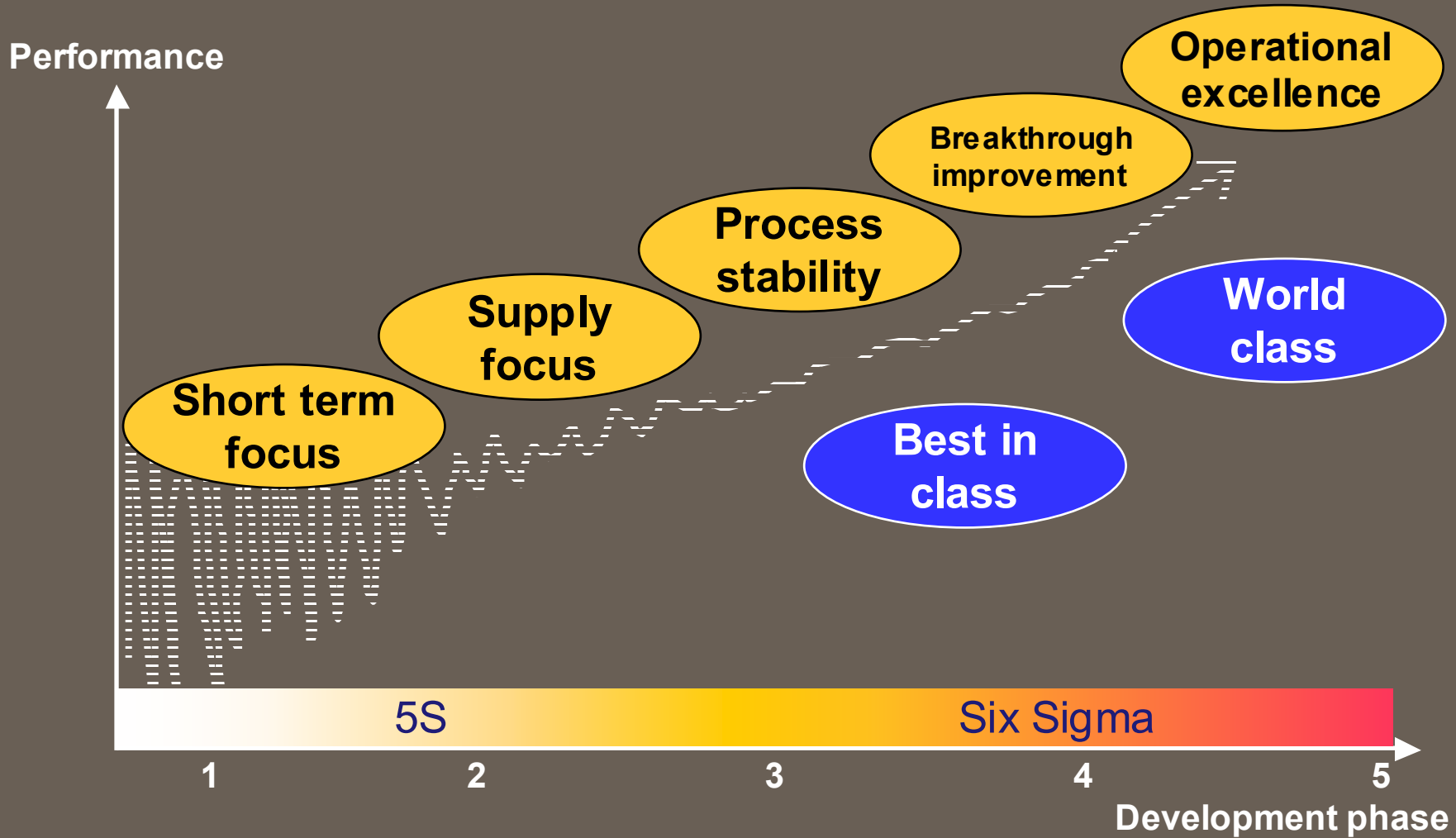
How to increase
competitiveness



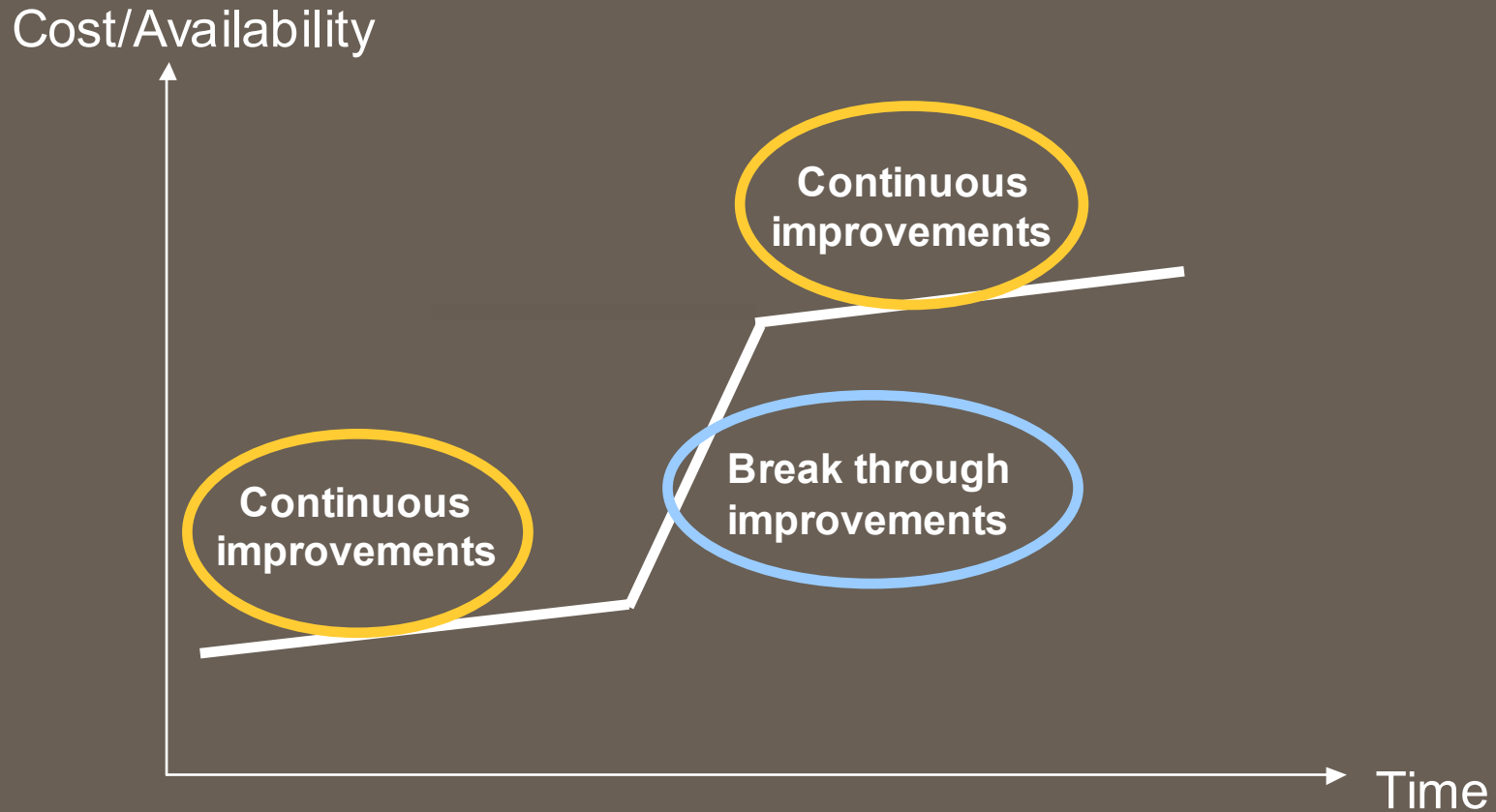
Overall objective



World Class Journey



Improvements



Supply chain

Supplier process

Logistics process

Manufacturing process

Sales order process

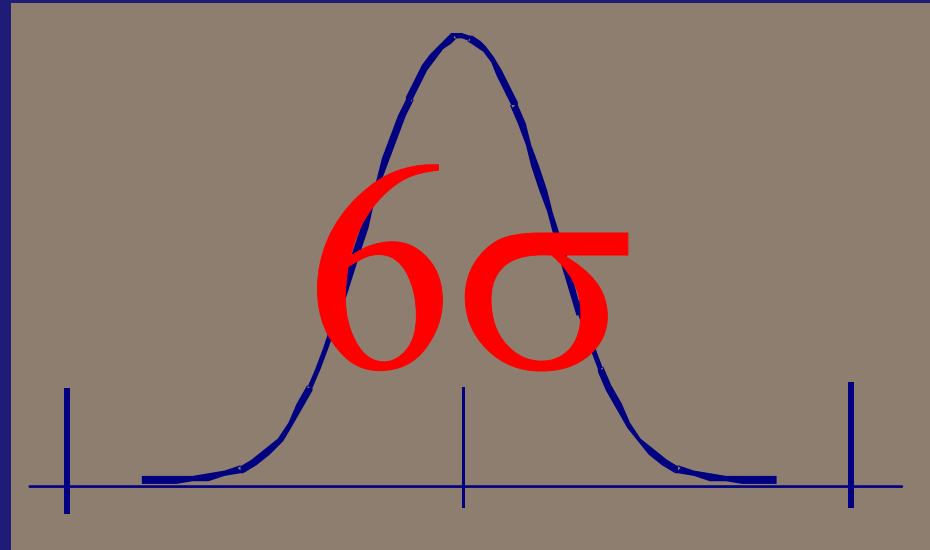
Product range

Market requirement

Forecast

Six Sigma

- A methodology and framework for eliminating “defects” in all business processes
- Alfa Laval logistics and manufacturing have decided to use the concept for continuous improvement and are in the rolling out phase



Summary

- Global presence
- Market-oriented and competitive structure
- Further development

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