



KH Lloreda

KH Lloreda visualizes its supply processes



KH Lloreda has made significant investments, allowing it to consolidate its national leadership in cleaning products and pursue international expansion. The company knew there were inefficiencies in its supply process, but lacked the tools to analyze them.

Challenge

The company's IT team was aware that its planning and production capacity was being held back, as it was unable to identify and quantify potential improvements to its supply chain.

Solution

KH Lloreda discovered the value of process mining as a means of analyzing and identifying sources of friction in the product and raw materials supply process.

Outcomes

- Enabled the identification of areas for improvement when modifying orders prior to confirmation
- Improved overall lead times in the supply process, streamlining production planning

"For the first time, we have been able to visualize and quantify our impression of inefficiency."

Jordi Portal Solé, IT Director, KH Lloreda



Innovation, technology, and leadership

KH Lloreda manufactures and sells cleaning products for the domestic and industrial sectors. The company began as a manufacturer of metal coatings; however, the need to clean the materials it received from its customers, and a lack of suitable products on the market for this process, led it to develop its own cleaning product. In 1994, the company changed direction to focus on the manufacture and sale of its cleaning products. It consolidated this strategy in 2014 with the launch of KH7, a leading cleaning product and one of Spain's leading brands.

In 2017 it began work on a new plant, which operated fully automated production processes without the need for manual intervention. The plant has a daily production capacity of over 400,000 bottles, allowing the company to increase its range of formats and expand into international markets.

"KH Lloreda is a high-tech company. Production at our new factory is fully automated, which means the first person to touch the product is the end customer," explains Jordi Portal Solé, IT Director at KH Lloreda. "We're always open to analyzing new alternatives, solutions, and technologies that allow us to improve. When we heard about process mining from Fujitsu, we were keen to discover more about the technology, as well as Fujitsu's way of working and how it could benefit our business."

Making the invisible visible

Following initial consultations and a presentation of process mining by Fujitsu, KH Lloreda proposed carrying out a pilot program to explore its potential for the company. "Fujitsu opened our eyes to the benefits and value of process mining," says Portal Solé.

One of the main concerns for KH Lloreda's IT team, was finding out just how efficient the supply process was. The business runs a just-in-time supply chain in order to meet demand, holding minimal stocks of part-finished materials. Quantifying the efficiency of the supply process is crucial both for meeting service level agreements for customer orders and for achieving KPIs for stock costs. Improved supply management also helps to refine stock levels, ensuring that they reflect the business's real needs, and deliver the corresponding financial benefits.

"We always knew we had inefficiencies, but we couldn't pin them down. We were unable to produce the data to visualize the reality of the process, allowing us to take steps to address them," explains Portal Solé. "We needed to improve the planning, production, and supply of the production line. We were constantly replanning production, with a huge administrative burden of coordinating suppliers, changing dates, and stock."

Over a period of several weeks, Fujitsu and KH Lloreda ran a pilot program using the leading Celonis platform. The Fujitsu team worked with KH Lloreda to implement the trial using the company's SAP tool, focusing on data that provided a digital footprint of the supply process, from the creation of purchase orders through to the arrival of materials at the warehouse.

Industry:
Manufacturing

Location:
Spain

Website:
lloreda.com

About the customer

KH Lloreda was founded in 1949 as a metal coatings manufacturer. The requirement to clean parts received from customers before treating them led the company to develop its own custom cleaning products. Its KH7 brand of grease and stain removers now leads the market for kitchen cleaning products and stain removers, and has allowed the firm to pursue international expansion across multiple continents.

30%

estimated
improvement using
process mining

Improving awareness

“The results were surprising,” explains Portal Solé. “For the first time, we were able to visualize and quantify our impression that we could be more efficient. We could pinpoint exactly where to optimize adjustments in the replanning stage. Our estimates are that process mining will deliver a 30% improvement.”

“We found the pilot program extremely useful. The preliminary work by the Fujitsu team meant it was quick and seamless,” concludes Portal Solé. “Process mining has increased our awareness and given us visibility over complex processes that were previously blind spots, costing us time and resources. We can now see where we can improve processes and use continuous improvements, such as synchronizing our demand and supply systems to make our business more efficient.”