

## Reference case

# ALCATEL CIT

## *Major Cost Reduction in France*

### **The Alcatel CIT Case**

Alcatel is a leading supplier of telecommunication infrastructures and employs 76,000 people in 130 countries. Alcatel CIT located in Saintes, France, manufactures steel racks for Mobile Bay Outdoor Cabinets. The racks are fixed on pallets and transported to Alcatel Eu where PCB's and modules are assembled prior to delivery of the cabinets to a logistics platform for packaging and worldwide dispatch. Domestic and European shipments only require stretch film and corner damping, while export shipments need extensive packaging. The fixed cabinet, put in a wooden box and placed on another pallet incurred unsatisfactorily high packaging and logistics costs, especially when being transported by air (60% of the time).

### **The Nefab Solution**

Being a global supplier with a capacity to identify savings, Nefab was approached to analyse the cost take-out possibilities. Several similar packaging solutions have been successfully implemented, both for Alcatel and other customers. A team of representatives from both Nefab and Alcatel CIT's packaging group were put together for a short-term action plan. After pre-audit, it was decided that NEFAB ExPak S with 6mm plywood would be the best solution. Wooden pallets were replaced with Oriented Strand Board (OSB) pallets for all worldwide destinations so that Phytosanitary regulations could be met. To reduce costs even further, Nefab provides "first tier supplier" services by providing VCI foam pads, foil and foam fitting sticks as inner packaging. Stretch film and corner damping are still used in the majority of domestic and European shipments.

### **The Benefits for Alcatel CIT**

A total cost reduction of 20-28% in packaging and logistics on global basis could be spotted immediately after the implementation. Since the manufacturing process is lean and labour reducing, Alcatel CIT is very pleased with the solution and would like Nefab to look for other cost saving opportunities where "Complete Packaging Solutions" (CPS) could be implemented..



Steel rack fixed on an OSB pallet



Cabinet to be packed