

Power Players

Outdoor power products leader Husqvarna continues to improve its sourcing and planning processes. *By Jim Harris*

The variety and global reach of Husqvarna's products show its strengths, but this, combined with their seasonal nature, are challenging for its supply chain.



DENIS WOLOWIECKI
Senior Director
Global Powertrain
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Sourcing

The Husqvarna name has been associated with quality for more than 325 years. "We're very proud of the quality of the products we make, and believe we are as good or better than everyone else," Global Powertrain and Electrical Sourcing Senior

Director Denis Wolowiecki says.

The company is the world's largest producer of outdoor power products including zero-turn mowers, garden tractors, walk-behind mowers, snow throwers and chainsaws. "Our brand has a strong name and credibility with customers around the world," he adds. "We are well-positioned globally."

Although the company's global headquarters is in Huskvarna, Sweden – where it was founded as a musket maker in 1689 – the manufacturing of many of its consumer-facing products is based in North America.

One of the company's major divisions, Husqvarna Consumer Brands North America, based in Charlotte, N.C., oversees manufacturing in four facilities. A 1.3-million-square-foot facility in Orangeburg, S.C., manufactures all the zero-turn mowers and a majority of the riding equipment made by the company. The facility, which serves North America as well as portions of the compa-



ny's international market, is the largest Husqvarna manufacturing site in the world, Wolowiecki notes. The company also operates facilities in McCrae, Ga., and Nashville, Ark.

In addition to manufacturing domestically, Husqvarna Consumer Brands also operates a plant in Valmadrera, Italy, which produces walk-behind mowers for the European market. Many of Husqvarna's largest suppliers support the Italian operation in addition to the U.S. plants.

The company sources many of the components for its products locally. "There's a high amount of

domestic content in our products, and that's a proud achievement for us," Wolowiecki says.

BRIGHTER FORECASTS

Husqvarna distributes products through a network of roughly 40 U.S. distribution points ranging in size from large centers serving customers nationwide to specialized facilities focused on regional dealers and accessory warehouses offering replacement parts. The company serves a global network of authorized dealers as well as large retailers including Lowes, Sears and Home Depot.

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Husqvarna's operational goals are to reduce its lead-times, lower costs and improve product quality, while also improving supplier relationships.



keted globally under the Husqvarna brand. The company also offers products under specialized and regional brands, including Jonsered, McCulloch, WeedEater and Klippo.

The wide variety and global reach of Husqvarna's products, as well as their seasonal nature, present a challenge for its supply chain organization. "We essentially produce lawn care products over a six-month period," Wolowiecki notes. "We need to meet our demand and satisfy our customers over that period, or miss our target for the whole

year. The same is true for snow products in the winter season."

Husqvarna is working to strengthen its sales and operations planning and forecasting processes to address this challenge.

The company receives point-of-sale information from its big-box retail customers to assist it in planning. It also recently implemented the ION software from FlowVision to help manage its inventory and production demand. "ION gives us a more intelligent, algorithm-based demand forecast, where previously we just did everything on spreadsheets," Wolowiecki says.

CREATING EXCITEMENT

Inbound supplies also have been a focus for the company in recent years. "We've become more flexible and collaborative when it comes to suppliers," Wolowiecki says.

Husqvarna's largest and most critical suppliers are invited to participate in the company's Excellence through Common Initiatives and Teamwork (EXCITE) program. The program, established in 2012, is meant to build supplier relationships while addressing Husqvarna's

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operational goals of reducing its lead-times, lowering costs and improving product quality. The program was awarded the “Best Supply Chain Initiative of 2014” by the Procurement Leaders organization.

“This is a multi-year journey through process excellence, meant to create a focus around our greatest opportunities,” Wolowiecki says. “This is meant to be a commitment on both sides, and more comprehensive than just asking our suppliers for a cost reduction.”

The company is already seeing positive results from the program. “Our lead-times have im-

proved tremendously, disruption to our production has dropped dramatically, and we have better availability of parts,” he adds. “We’ve met and exceeded many of our initial targets and are encouraged to drive further.”

Husqvarna’s other recent operational improvements include implementing a transportation management system to better manage shipping schedules and freight costs and optimizing the use of ports, he adds.

Operational improvements include modernizing production equipment and implementing material handling best practices. The Orangeburg facility has

greatly improved as a result of facility investments as well as management changes. “There’s been a tremendous step-change in all aspects,” Wolowiecki explains. “That plant, which was once considered for closure, is now one of our flagship operations. Many of our suppliers played a part in this success.”

FlowVision, LLC is a full service provider of Lean Business and Supply Chain Consulting Services and a proud service provider for Husqvarna. These services range from factory layout/design for lead-time reduction to the Inventory Optimization Network (ION) solution for establishing “pull” systems throughout the supply chain. This system has been deployed throughout North America, Europe and Asia with remarkable results. The system allows our customers to manage their assets, not only within their company, but also throughout distribution centers, warehouses, suppliers, customers and the entire supply chain irrespective of inventory ownership.



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