



HITACHI GAINS EFFICIENCIES AND SAVINGS WITH A SIMPLIFIED SUPPLY CHAIN AND MANAGED INVENTORY

CASE STUDY: Rail | Hitachi Rail

How Hitachi Rail, a global provider of rail solutions, partnered with Optimas to expand its European business with a streamlined supply chain, improved inventory management system and reduced part list.

Real Results, Real Impact

\$930K

Annual Cost Savings

75%

Bill Of Materials Reduction

50%

Productivity Improvement



CASE STUDY: Hitachi Rail

Situation

When Hitachi Rail opened a new state-of-the-art 44,000 square meter facility located in the UK with the capacity to manufacture 35 trains a month, it required the supply chain expertise of Optimas to synergize the components and logistical demands of producing high-performance trains with millions of individual parts.

Solution

Optimas focused on simplifying Hitachi’s supply chain by leveraging its technical expertise and global supplier network. Optimas then partnered with Hitachi engineers to remove any blueprint or component duplicates and select preferred suppliers, resulting in a consolidated supply chain and a 75% reduction in bill of materials from 4,578 parts to 1,200 parts per train.

In addition to managing the entire supply chain, Optimas implemented an inventory management program that included its cloud-based Just-In-Time System and OptiBeam VMI Solution, which uses the latest in scanner technology to automatically order and replenish parts. The new inventory management program also changed part deployment leading to a 50% improvement in productivity of 10,000 less weekly picks from stock to the production line.

Results

Optimas simplified the supply chain and implemented an inventory management system and part rationalization program, improving operational efficiency and mitigating risk:

- **Reduced bill of materials** by 75% to achieve the same finished train for two models
- **Saved \$930,000 in estimated costs** from managing less inventory
- **Improved productivity** with 10,000 less weekly picks
- **Delivered significant service and product quality improvements** with a consolidated supply base

Optimas supplies nearly 8 million fasteners annually to support the production of the two Hitachi Rail models. A dedicated team of Optimas supply chain experts and engineers continues to partner with Hitachi to monitor the program and maximize the overall cost-effectiveness and efficiency of new projects.

“ The simplified component selection and supply chain that Optimas recommended and manages is helping to significantly reduce costs, minimize risk in the supply chain and increase efficiency. This allows us to focus on growth of our high-performance trains in the UK.”

Robert O’Hara
Category Lead,
Interior & Car Body
Hitachi



ABOUT OPTIMAS

Optimas is the leading global industrial distributor and service provider specializing in fastening and supply chain solutions for manufacturers seeking to improve efficiency and profitability. We take care of the details so you can focus on manufacturing cutting-edge products—giving you an unparalleled competitive edge.

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