



GROENEWOUT

## Groenewout improves entire stock management process for KLM Cityhopper

*An interview with Arjan Meijer, Director Technical Services & Fleet Development and Dirk Neelis, Director Finance & Control of KLM Cityhopper by Tjaart Theron*



**KLM Cityhopper is an operating carrier for KLM. Among others, KLM Cityhopper is responsible for the technical services of its own fleet. The maintenance**

**activities itself has been outsourced to NAYAK Aircraft Service Netherlands B.V. and two other Maintenance, Repair and Overhaul facilities. The maintenance activities of NAYAK require them to keep in stock spare parts, ranging from basics such as nuts and bolts to larger specialized parts. The relationship between KLM Cityhopper and NAYAK requires very concise and clear agreements. Approximately one year ago, KLM Cityhopper did an extensive internal investigation that raised questions about key elements of the whole stock management process. KLM Cityhopper concluded that they needed an external agency to assist them in improving these processes. Groenewout was asked to produce solutions to many issues identified during the internal investigation, including KPI setup, circular count of stock, the distribution of responsibilities, the design of the warehouse and the management of stock levels.**

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### Stock management

"During the course of 2010", says Arjan Meijer, Director Technical Services and Fleet Development at KLM Cityhopper, "we did an extensive internal investigation that raised questions about the way the stock was being managed in the partnership between KLM Cityhopper and NAYAK. As an outcome of this investigation, we concluded we needed an external agency to help us solve the issues that were identified." According to Meijer, one of his colleagues recommended Groenewout, because he had experience with them in a different company. "Groenewout was recommended because they were known to have good expertise in the areas we were interested in." says Meijer.

Meijer's colleague Dirk Neelis, Director Finance and Control, continues: "We asked Groenewout to provide solutions for many issues identified during the internal investigation This included items such as responsibilities that had to be clarified and organizational shortcomings that had to be corrected. Concretely, existing agreements had to be examined and we needed proposals for improving the level of control we had over the stock management process."

Meijer adds: "We also wanted to have key performance indicators (KPIs) to be able to measure logistical performance. And we asked Groenewout to co-ordinate a complete stock inventory and propose how monthly cycle counting could be done to gain more frequent insight into stock levels and composition."

### Practical recommendations at a very detailed level

Both Meijer and Neelis express their satisfaction with the work of Groenewout. Meijer: "The entire process was well executed.

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*Dirk Neelis (L) and Arjan Meijer (R)*

Groenewout took their time to become acquainted with the investigation, the report and all of the existing agreements between KLM Cityhopper and NAYAK." Neelis adds: "Groenewout did not only base their recommendations on the available documentation, but interviewed all the key players to give them a chance to express their views about the outcome of the internal investigation report."

According to Meijer, Groenewout took the lead by creating a joint project team with KLM Cityhopper and Nayak employees to execute the recommendations. They played a very active role. They challenged us and did not only provide advice. In addition, they co-ordinated a complete wall-to-wall stock count. Neelis explains: "Groenewout co-ordinated a full wall-to-wall stock count. We did not only do a complete count but Groenewout also made recommendations about the design of the warehouse and the warehouse processes. In fact, they produced a constructive translation of their findings into process improvements and a physical design for the warehouse. They also helped us to understand how we could better maintain our stock levels at the right level. They were practical in their recommendations at a very detailed level." He continues: "Our need was for pragmatic and workable solutions. They helped us to gain daily, weekly and monthly insight into stock levels and availability and ensured we gained insight into the exact detail on a very frequent basis."

**KLM Cityhopper is quite satisfied with the way Groenewout managed the entire process.**

"We are satisfied with the deliverables as presented by Groenewout", Meijer concludes. "If we look at what they accomplished we would certainly provide a positive reference. In our experience, Groenewout is very good sparring partner and intermediary between parties who managed throughout to bring the various parties closer together. The important thing that became clear to us during while working with them is that they are able to do this based on the broad knowledge of and experience with many other parties. Groenewout worked in a pragmatic and practical way. Not through slick slide productions."

***By Tjaart Theron***

Tjaart Theron was born in South Africa and has lived in the Netherlands since 1985. He completed a Masters in Economics at the Institute of Social Sciences in The Hague. He has worked as English native speaker copywriter for large international companies.

***More information***

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