



OPTIMIZING FACTORY PERFORMANCE

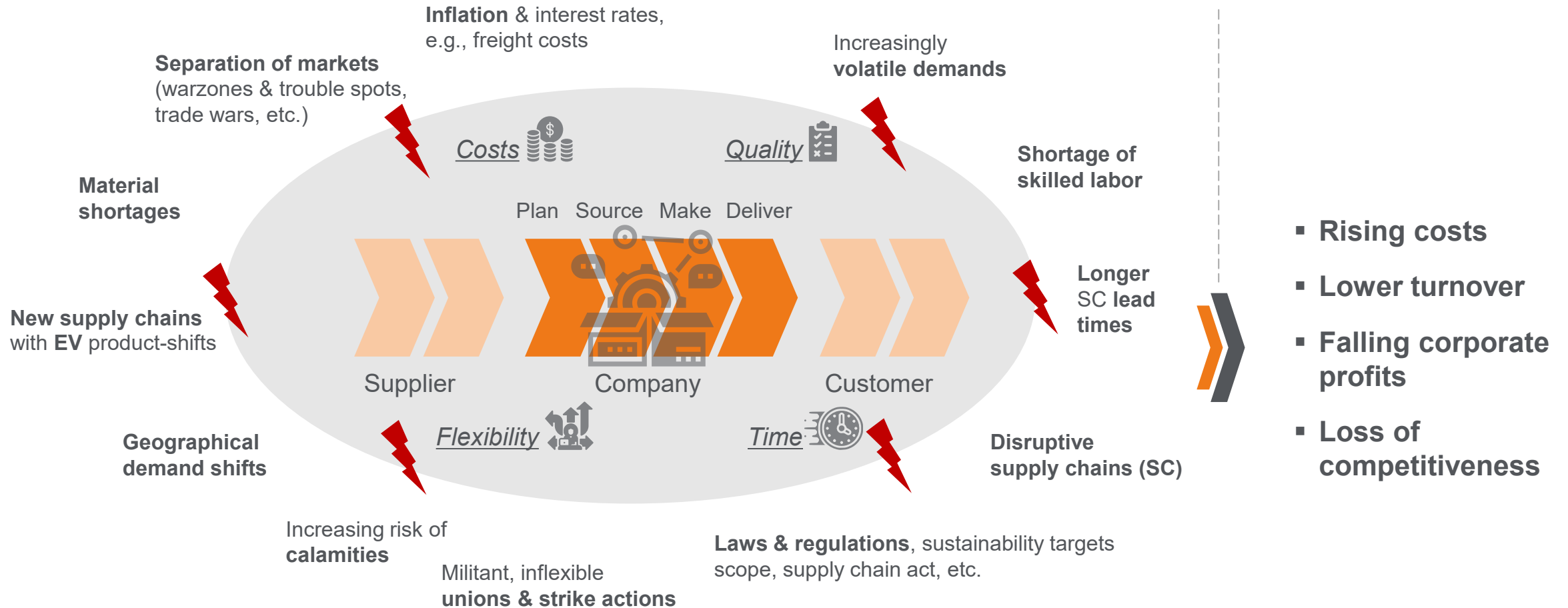
Holistic planning and execution for efficient, sustainable manufacturing

 **EFESO**
MANAGEMENT CONSULTANTS

FACTORY PLANNING

INSIGHT

European manufacturing companies are facing major challenges - time to set up appropriate performance programs



Priorities of European manufacturers for 2024+ are clear: delivery of established performance programs and consequent benefits delivery - incl. location checks

Typical focus of manufacturers for 2024+

Pushing EBIT and cash

Implementation of performance programs & rigid cost discipline

Right-first-time

Frictionless delivery of new product launches

Leading the transformation

Thriving on opportunities arising from change

Sustainability and digitalization

Pushing ahead in all areas

World-class teams

Encouraging high-performing teams & overcoming labor shortages

Resilient Supply Chains

Overcoming volatility and building robust SC & production networks

Typical Performance Program Workstreams

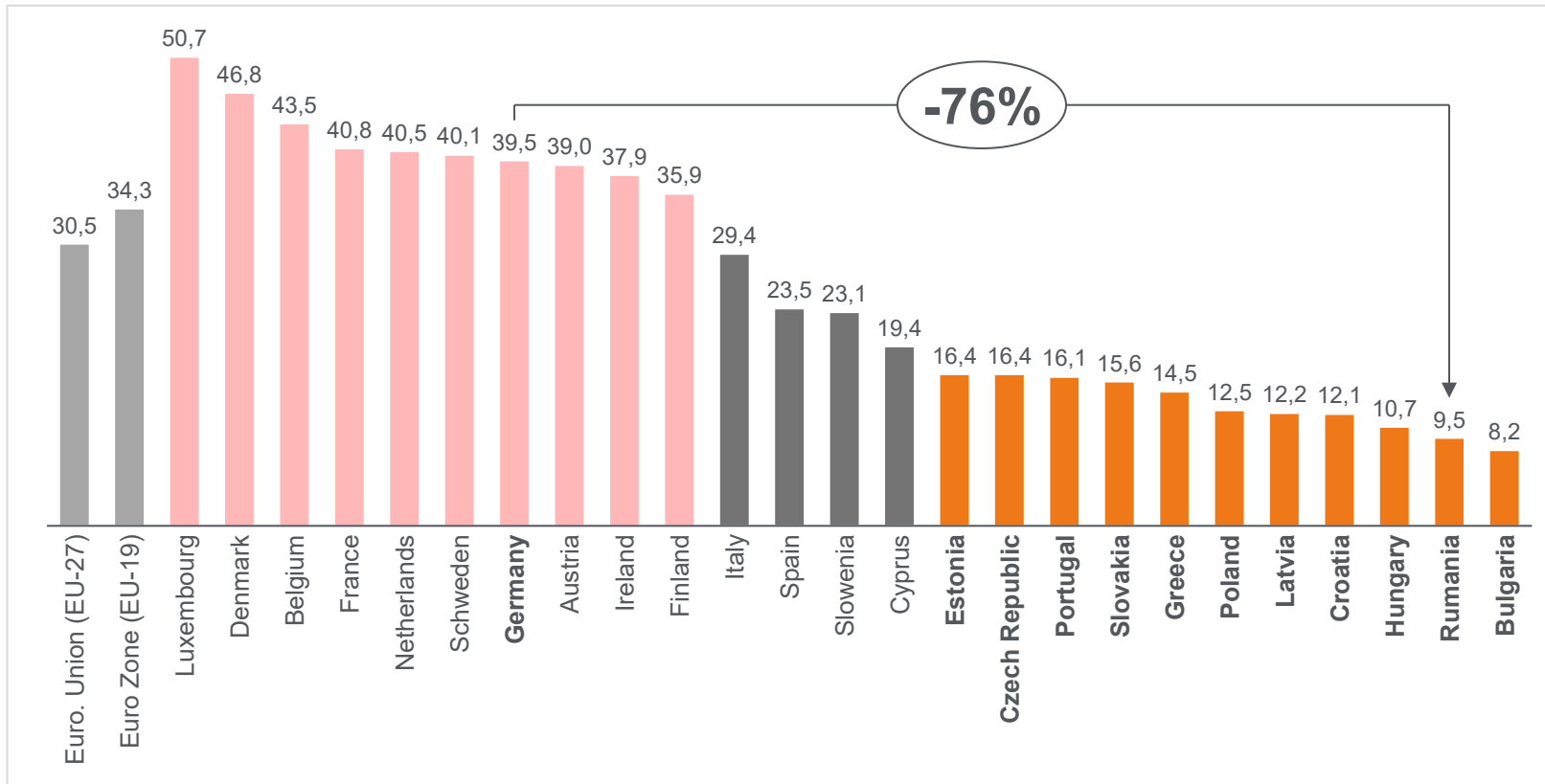
1	Direct Materials	<ul style="list-style-type: none"> Negotiations with suppliers Technical savings 	<ul style="list-style-type: none"> Revitalizing VAVE
2	Operations / Manufacturing	<ul style="list-style-type: none"> Lean Improvement ratio direct to indirect FTE 	Location check
3	Non-Production Materials	<ul style="list-style-type: none"> Spend Control Tower Negotiation with suppliers 	
4	SG&A	<ul style="list-style-type: none"> Efficiency in organizational structure Target productivity vs. benchmark 	
5	R&D	<ul style="list-style-type: none"> External spend Productivity / Personnel 	Location check
6	Launch / SOP	<ul style="list-style-type: none"> Ensuring successful product launches 	
7	Commercial	<ul style="list-style-type: none"> Inflation recovery Volume claims 	<ul style="list-style-type: none"> Leaker & bleeder recovery
8	Capex	<ul style="list-style-type: none"> Tech. optimization invest projects Challenge boards: need check 	<ul style="list-style-type: none"> Project cancellations
9/10	Accts Payable /Receivable	<ul style="list-style-type: none"> Payment agreements / deadline processes Overdue payment management 	
11	Inventory	<ul style="list-style-type: none"> Forecasting Sale of finished products 	

The review and adjustment of manufacturing footprints is essential, **in order to** achieve priorities in 2024 and beyond.



CEE countries offer significant cost advantages, not least wage differences of around 76% between Germany and Romania, as well as other investment incentives


 EU labor costs in 2022 comparison [€/h] *



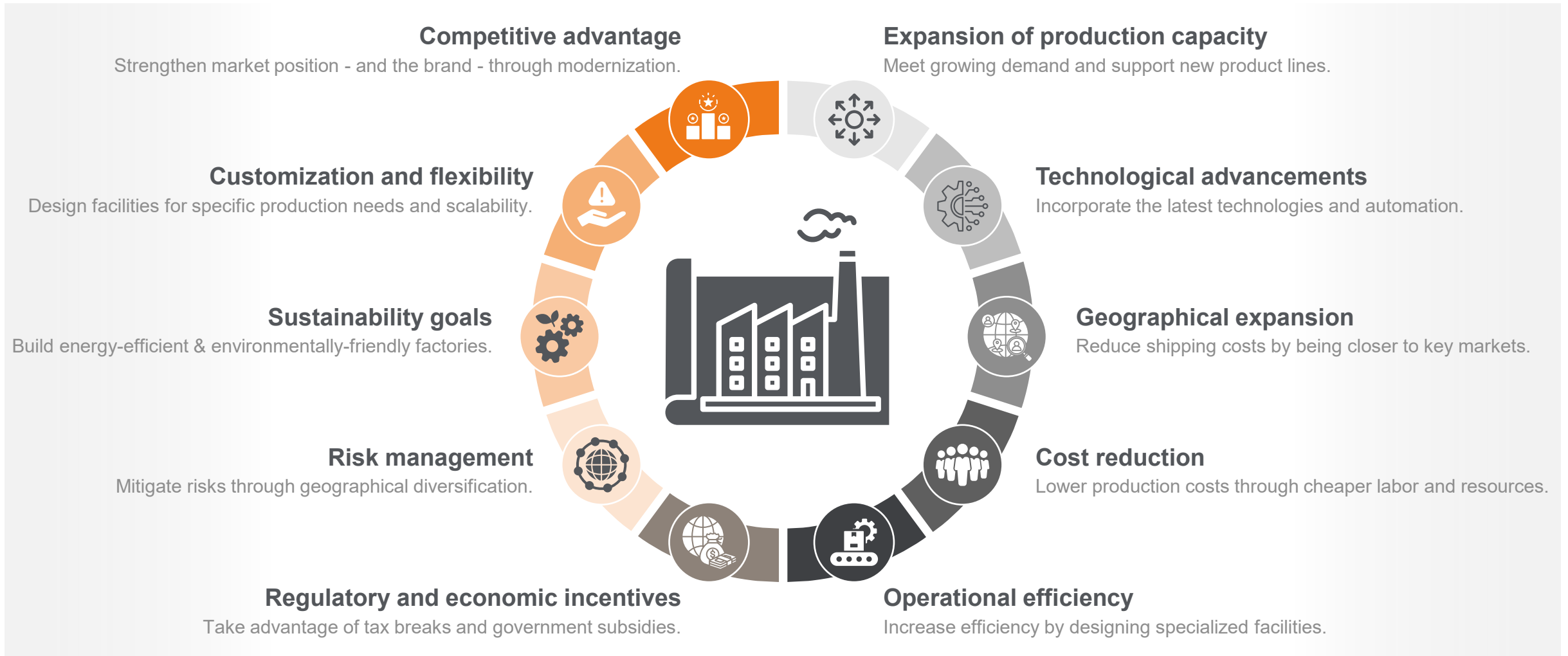
Benefits of EEU countries

- Lower labor costs**
Reduce operating expenses and increase cost-effectiveness
- Competitive operating costs**
contribute to higher profit margins for businesses
- Skilled workforces**
Strong emphasis on education and large number of skilled professionals
- Language skills**
Many professionals are multilingual, which can be beneficial to diverse international operations
- Business-friendly environments**
CEE countries have implemented business-friendly policies to attract foreign investment
- Strategic locations**
Strategically located, providing proximity to both Western and Eastern markets
- Government incentives**
Incentives to attract foreign investment, such as tax breaks, grants, and other favorable policies



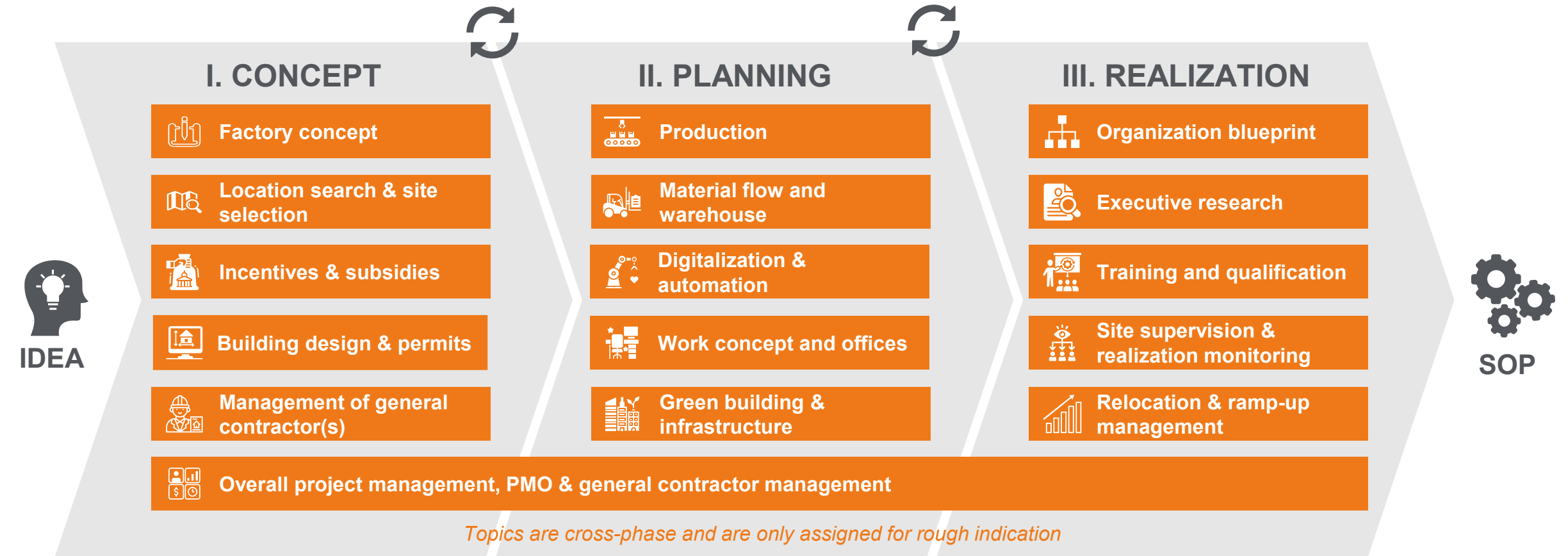
 Relocation is just one option: optimizing existing plants in WEU is the other. A holistic view is required...

The need to build new factories is driven by a number of imperatives: each of these factors can contribute to a company's long-term growth and competitive advantage



We have bundled, and expanded, our capabilities so that we can provide our customers with the best possible support, all the way from initial ideation to SOP

EFESO's 'one-stop shop' operations capabilities and service offerings



Phase one is developing the strategic framework - initiating the factory conceptualization process, scouting for locations and selecting contractor(s)

I. The five components of the 'CONCEPT' phase



Factory concept

Development of a **factory concept** with detailed vertical integration, production technologies, volume curves, employee numbers, and floor space.



Location search & site selection

Execution of a **location search** based on factory requirements, objectively evaluating and comparing preferred locations.



Incentives & subsidies

Thanks to years of local presence, official contacts are already known, so subsidies can be approached and negotiated in a targeted manner.



Building design & permits

Holistic **planning for building and infrastructure**, integrating all necessary disciplines, from concept to hand-over.



Management of general contractor(s)

Selection and management of the best **general contractors**, based on technical building requirements and site conditions.



The 'CONCEPT' stage result is used to identify specific possible locations/sites in the target region.



Based on the planned production concept, the support areas are specified according to requirements, and then harmoniously combined into an overall concept

II. The five components of the 'PLANNING' phase



Production

Focusing of **production processes**, as all other processes depend on this, including assembly and machining tasks, production sequences and value streams, production layout, operating model and number of employees, as well as rough recording of production steps and areas.



Material flow and warehouse

Planning and visualizing **material flow**, including buffers and warehouses, based on the production concept.



Digitalization & automation

Early planning for factory **digitization and automation**, as overall employee numbers – and their qualification levels - will depend on this.



Work concept and offices

Tailoring **modern working models** to customer needs, considering offices and social spaces.



Green building & infrastructure

Integration of **sustainable construction and operation** into the overall concept, leveraging our considerable expertise.



After the 'PLANNING' phase, the factory is ready for 'REALIZATION' - requirements, schedule and costs are now known.



Our strength lies not only in creating strategies and developing concepts, but also in implementing them within our clients' timescales and budgets

III. The five components of the 'REALIZATION' phase



Organization blueprint

Development of an **organizational blueprint** outlining structure, roles, workflows, communication channels, policies, and performance metrics.



Executive research

Leveraging local knowledge to **support recruitment**, from forklift drivers to site managers.



Training and qualification

Matching requirement profiles with current employee skills and **providing targeted training**.



Site supervision & realization monitoring

Supervising site, manage projects, oversee designer scope, monitor construction, and execute commissioning for building hand-over.



Relocation & ramp-up management

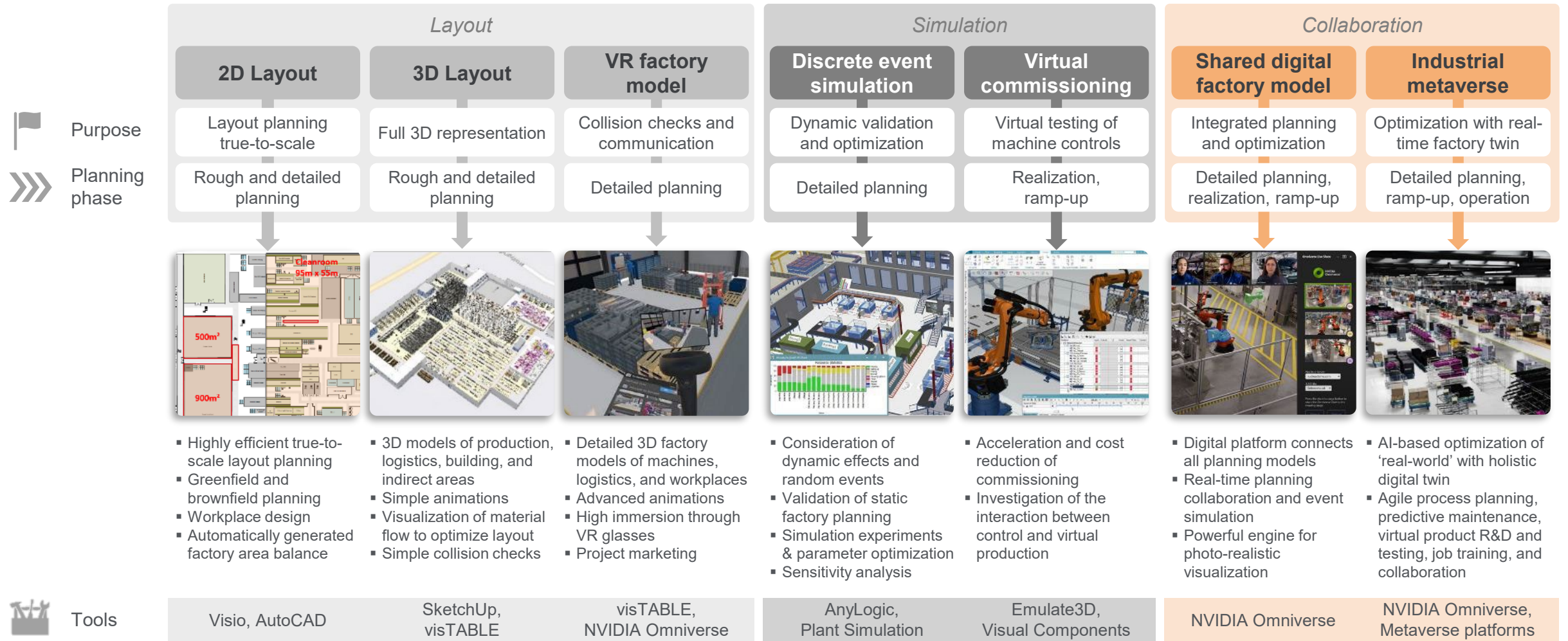
Ensuring smooth relocation and ramp-up management through planning, communication, logistics coordination, gradual production increase, quality control, continuous improvement, and post-relocation support.



We safeguard our client's SOP by providing management and coordination of the entire project from a single source.



Our tools for 'digital factory' planning enable professional layout and material flow optimization, across all planning phases, to increase planning quality



Extent of planning support

In the last few years alone, numerous successful programs across all sectors have been delivered, including for many leading automotive OEMs and Tier-X players



Experience within production optimization, factory planning, and set up of new plants

Germany



- Leading heat pump producer
- Mould tool manufacturer
- Wood construction manufacturer
- Leading compressor valves producer
- 1st and 2nd tier automotive supplier
- Leading sanitary goods producer

Italy



- Luxury OEM manufacturer
- 1st and 2nd tier automotive supplier
- Agricultural machinery producer

Czech Republic



- Leading crane producer
- Leading high-tech electronics
- Leading machine building producer

Hungary

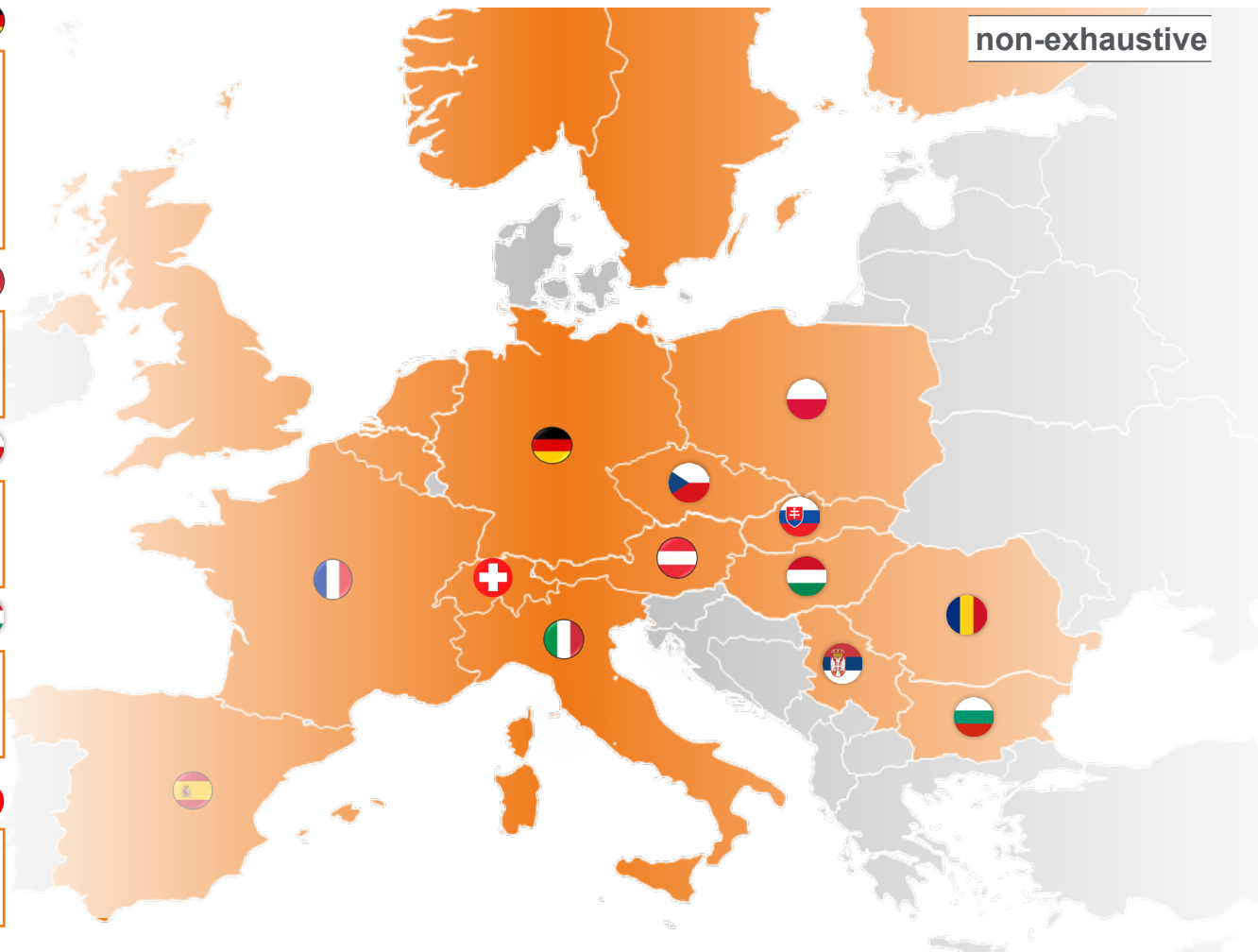


- 1st tier automotive suppliers
- Leading chemicals producers
- Leading high-tech electronics

Switzerland



- Leading pharma packaging manufacturer
- Leading F&B packaging manufacturer



Poland



- 1st tier aerospace supplier
- Leading household products
- Leading heat pump supplier
- Leading electro hardware

Slovakia



- 1st tier automotive supplier

Romania



- 1st and 2nd tier automotive
- 1st tier tire manufacturer
- 1st tier gearbox supplier
- 1st tier supplier aerospace
- Leading electronics supplier
- Pharma producer

Bulgaria



- Leading supplier for construction

Serbia



- Leading hardware supplier for retail
- Leading energy solutions provider

Austria



- Special vehicle manufacturer
- Railway equipment manufacturer
- Head pumps & systems manufacturer



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