**Avoiding supply bottlenecks despite a shortage of raw materials**

**How an intelligent strategy and dynamic supply chains safeguard availability**

**Demand for raw materials has risen sharply across the globe. This applies as much to aluminium as it does to steel, wood and plastics. How can companies operating under this kind of pressure make sure they uphold their supply commitments? item is a clear example of the kind of role sophisticated strategies play and how specially developed tools can help put them successfully into action. Forward-looking management involves quickly and flexibly implementing innovative approaches and involving employees from start to finish. This is the only way to achieve exceptional on-time delivery rates and ensure security of supply.**

Much like other sectors, the aluminium industry is having to deal with serious bottlenecks in supply. Among other things, this is primarily down to the drastic shortage of raw materials experienced over recent months. “We have never seen a situation like this reach this kind of scale before,” explains Thomas Neller, purchasing manager and member of the Management Board at item. “The availability of virtually all the materials we require for our products – be that plastic, steel, paper, wood or aluminium – has hit rock bottom.” Across the globe, there is a huge demand for raw materials, capacities and resources and, in some areas, this is being amplified by other developments. For example, the punitive tariff introduced by the EU, which places premiums of up to 50 percent on Chinese aluminium profiles, has led to other companies that previously sourced their aluminium profiles from China now putting even more pressure on suppliers based in Europe through their volumes of demand. In light of all this, suppliers have already drastically altered their prices this year on multiple occasions.

**Intelligent demand forecasts**

Ensuring a high level of availability, being reliable and keeping promises made to customers are key to a company’s success in times like these. “We know our supply chain extremely well and can actively manage it,” explains Neller. “What’s crucial in this respect is making sure product group management and supplier management work together in perfect harmony and devising well-thought-out sourcing strategies.” With the focus being on security of supply, item provides aluminium profiles from its standard portfolio within 48 hours of receiving the order. It does, however, take several weeks to replenish stock – and the associated waiting times are only getting longer in the current climate. How does that all fit together? item follows various approaches to ensure a steady supply of products. For example, the family-run company uses a special software program to optimise stock levels, adapting them flexibly and dynamically on a running basis. As part of operations research, precise forecasts based on mathematical models make it possible to bring the availability of materials in line with demand. Updated daily, these detailed forecasts of future demand are based on patterns that have been identified in past sales figures with the help of tools.

**Long-standing partnerships and long-term contracts**

In addition, long-lasting contracts based on trusting partnerships with suppliers ensure a steady supply of products at item. A range of suppliers from across Europe deliver materials to the company’s central warehouse in Solingen, Germany. “Derived from our procurement strategies, we use multiple sources and take a strategic approach to planning availability,” says Neller. “And for every single article, our strategy always factors in methods for minimizing supply chain risks. These methods are key elements of dual or multiple sourcing practices, for instance. At the same time, we established awareness for sustainable procurement in our day-to-day operations long ago, without it negatively influencing our overarching business objectives.” Supplier agreements that run for terms adapted to current market conditions ensure supplies are continuously replenished at competitive prices.

**In short, item is and will remain able to deliver**

“Our dispatchers and buyers have always got their finger on the market’s pulse, observing what is happening and planning ahead,” Neller says, adding: “Only by working as a well-oiled team with plenty of know-how, plus level-headed management, reliable suppliers, support from suitable software tools and a crisis-proof strategy are we in a position to offer our customers maximum security of supply. Openly communicating – both internally and externally – plays a significant role in establishing the necessary transparency, especially in challenging times like these.” Combined with optimised logistics, intelligently planned stock levels ensure item is always able to deliver and, particularly in the current market climate, guarantee its usual high security of supply.

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**Caption 1:** Much like other sectors, the aluminium industry is currently having to deal with serious bottlenecks in supply.

**Caption 2:** Thanks to sophisticated strategies, forward-looking management, close supplier relationships and intelligent software tools, item is and will remain able to deliver – even in troubled times like these.

**Caption 3:** “We know our supply chain extremely well and can actively manage it,” says Thomas Neller, purchasing manager and member of the Management Board at item.

**About item**

item Industrietechnik GmbH is the pioneer in building kit systems for industrial applications and a partner of the manufacturing industry across the entire globe. Today, the item product portfolio comprises more than 4,000 high-quality components designed for use in machine bases, work benches, automation solutions and lean production applications. The company has received a string of awards for products with ground-breaking industrial design and end-to-end ergonomics.

item is spearheading digital engineering by driving forward the digitalisation of processes with software tools developed in-house. The item Academy offers training at various levels with on-demand training and online courses available in multiple languages.

Headquartered in Solingen, Germany, item has subsidiaries in various countries. Some 900 employees worldwide harness their know-how and passion to develop innovative solutions and services. Eleven sites make sure the company is always close to customers in Germany, with a global logistics chain ensuring swift delivery times for all components.

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