

SUPPLY CHAIN EXCELLENCE

The Supply Chain Excellence offerings by Acando focus on enabling increased corporate performance by establishing proper visibility, used for optimization and prioritization, from the company's suppliers to its customers.



Planning Excellence aims to achieve one agreed consensus plan.

Drivers for consensus driven planning

- Slow, inaccurate responses to short term demand changes or supply disruptions.
- Differentiated business view within company.
- Tied up capital to handle good service levels.

Benefits of Planning Excellence

- Increase demand and supply visibility with financial effects.
- Manage risk and ensure compliance.
- Optimized inventory levels.
- Improved service levels.
- Higher profit margin.
- Shorter cash-to-cash cycle.
- Flexible planning simulations.

Supply Chain Excellence by Acando aims to align the stakeholders to one common goal – achieving optimal corporate performance.

Planning Excellence

Planning Excellence aims to achieve one agreed consensus plan where all functions share the same view of what is to be sold, manufactured and distributed to the customers. This is enabled by securing clear roles and responsibilities in the planning process, establishing improved planning visibility connected to financial targets, and utilizing advanced planning tools aligned to the process.

Does your company struggle with:

- poor demand visibility and responsiveness?
- increased inventory and warehousing costs?
- complexity and diversity of a global customer base?

Acando's planning excellence offer

Synchronize supply with demand in your global supply chain by balancing push and pull network-planning processes and by handling replenishment and production based on actual demand in combination with the financial effects.



Demand planning features:

- Statistical forecasting with causal time-series methods and automatic selection of best fit model.
- Highly configurable and user friendly planning interfaces.
- Life cycle- and seasonal- planning.
- Track and monitor forecast accuracy.

Financial planning features:

- Unify the sales budget with the demand and supply plan.
- Harmonizing the characteristics and units with financial planning.

Supply planning features:

- Creation of feasible purchasing, production and distribution plans over the entire supply chain.
- Optimized inventory levels while satisfying service level requirements.
- Material and capacity requirements planning in one process.
- Heuristic-, rule- or cost-based algorithm to create a feasible or optimized plan according to business rules and logic.

CUSTOMER REFERENCES

Global customer within the healthcare. Substantially improved forecasting accuracy within life science sector.

Challenges

- SAP Flexible Planning had been implemented during a global roll-out of SAP R/3.
- The system support in forecasting with Flexible Planning was not satisfactory for a number of reasons.
- The forecast accuracy was very poor and wrong products were being produced as well as an overproduction of others.

Assignment

- Design of a new forecasting strategy, process and forecasting solution (Business Blueprint), development/configuration and test of the solution of global implementation.
- After 20 weeks project and implementation of APO Demand Planning client went live and was used in ~15 regions/markets globally and in a central demand planning process for 6 factories.

Improvements

- The project resulted in dramatically improved forecast accuracy (~10 – 15% units), reduced tied-up capital (~ 20 – 30%) and a totally new forecast process with both a local and central process.
- APO Demand Planning also resulted in much higher user satisfaction and technical stability compared with the old environment.

Main approach:

Develop a Planning Process & establish KPI's

Initially analyze existing planning process and if required further develop the process. Depending on the maturity of the process, generally the demand process is established first to improve the forecast quality and planning accuracy.

Secondly, supply planning is established to improve visibility across your global supply chain and lowers inventory and handling cost. Including creation of feasible purchasing, production and distribution plans over the entire supply chain.

Finally to includes the financial and budget figures within the consensus driven planning. Financial planning is normally an existing process but not necessarily harmonized with the other planning process regarding to units, planning cycles etc.

One key for success in planning is to develop exception-based planning by alerts to identify and resolve issues like capacity overloads with message system. Also to establish standard KPI's accordingly to the process is crucial to achieve a consensus view within the organization.

To manage to take the right decisions within the project Acando aims to us the "Look and feel of the solution" in as high extent as possible.

Define organizational ownership

Another success factor to achieve planning excellence is to secure clear ownership and responsibility for each process step and deliverable within each area of sales, finance, sourcing, distribution, etc. Also to make sure to distribute the planning result across organization.

In order to legitimate the agreed planning result within the organization, the stakeholders need to participate in similar "Executive Planning Meeting".

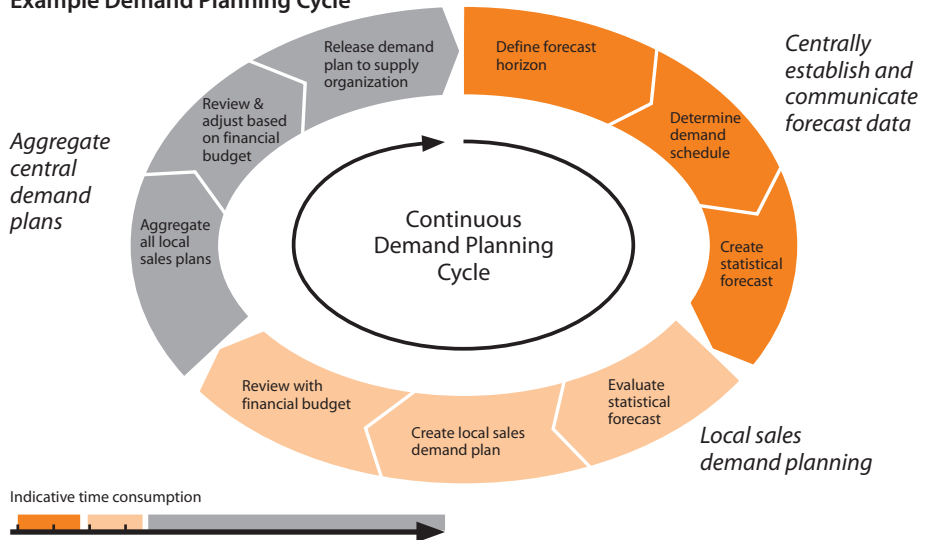
Implement new process and ownership in client organization

Based on Acando's experiences and best practices an implementation strategy to roll-in/out the processed and tools need to be securely established with realistic time plans and achievable goals, step by step.

- Involve client organization in design, by the concept "train the trainer...".
- Identify change agents and support the change thru training, SCM KPI monitoring and corrective actions.

Acando is achieving this by combining deep knowledge and competence in business processes as well as in change management. At the same time adding specialist skills in advanced IT solutions for optimal business support.

Example Demand Planning Cycle



Acando is a consultancy company that in partnership with its clients identifies and implements sustainable business improvements through information enabled by technology. Acando provides a balance of high business value, short project times and low total cost. Acando's annual turnover exceeds EUR 135 million and the Group employs approximately 1,100 professionals in six European countries. Acando is listed at NASDAQ OMX Nordic. Acando's corporate culture is based on three core values: **Team spirit, Passion and Results.** www.acando.com

MORE INFORMATION

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