

EU food supplements company

Situation: Poor forecast accuracy, forecast developed in each of local markets independently from others and global HQ, significant overproduction of some and out-of-stock of other product lines. Financially driven from global to local with poor understanding of individual markets' needs.

Opportunity

- Implement globally driven Sales and Operations planning process
- Identify and implement forecasting software and process
- Identify and implement master scheduling software
- Introduce the role of global S&OP champion and forecast manager
- Introduce the role of global master scheduler

Actions

- Sourced and implemented forecasting software and worked with IT in all markets to synchronize data flow required for forecast generation and its transfer to master schedule and reporting tools
- Evaluated external and internal master production software and provided required support during implementation of SAP APO SNP
- Implemented S&OP process in all markets including global HQ
- Developed and deployed unified reporting of forecasts, forecast error, GAP reports and GAP closure worksheets
- Designed and developed supply chain balanced scorecard
- Developed and deployed centralized item master policy
- Led the integration of all required data in a global data warehouse

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Managing Expectations

- Developed post implementation road map to facilitate continuous improvement of S&OP process
- Identified options of integration of market data in forecasting software to further improve baseline forecast accuracy
- Ongoing management commitment to change required

Results 9 months post implementation

- 26% improvement in forecast accuracy (rolling 3 months MAPE) versus previous year
- 5% improvement in customer service and increased visibility of available stock in all warehouses
- Inventory reduction 11%