Create a Sustainable, Connected Supply Chain

Insight for Leadership Power & Automation for Users

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SAPinsider
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In This Session You Will Discover…

- ## Two customer stories

- A global automotive supplier's reaction to the Covid epidemic

  - The need for rapid analysis and decision making

  - The actions taken to respond within a chaotic environment

- A pharmaceutical distributor's efficiency gains through digitizing procurement

  - Creating a sustainable, scalable process

  - That can survive personnel changes

  - Scale in the midst of labor shortages

What We'll Cover

- Company Overview

- Supply Chain Challenges

- The Role of Technology in the Process

- Results

- Wrap-Up

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Customer Story #1 – Insight to Action
Automotive Aftermarket Global Distribution

● Distribution Centers

20,000+
ship to locations

70,000+
SKUs

4,500
lines shipped
per day

Business Challenges

Massive disruption in demand & supply

Unprecedented externalities

Rapid decision making required with limited insight

Massive volumes of data to process

New challenges and variables to manage

Questions to Answer

How do we make changes to demand and supply plans rapidly?

How do we measure the impact of those changes and adjust on the fly?

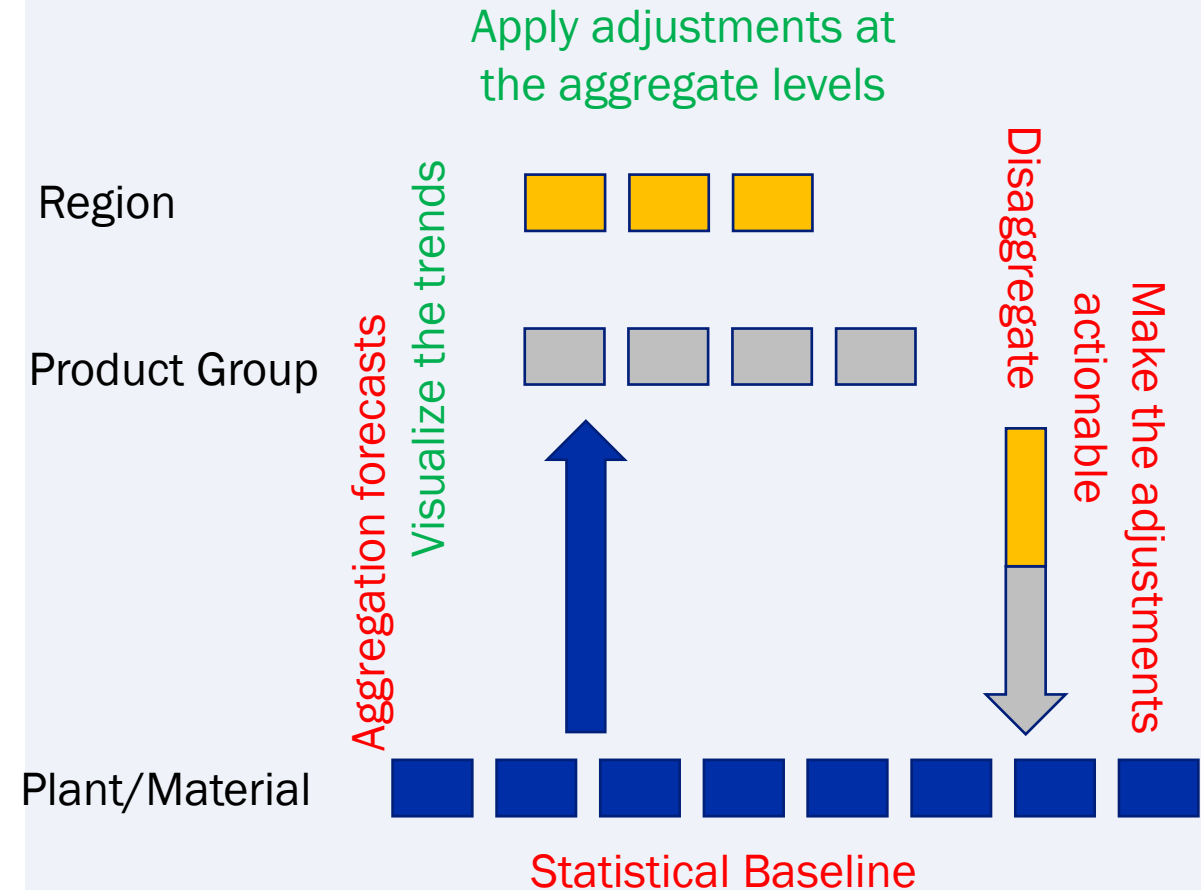Where do we get the full, end to end visibility to monitor our supply chain?

How do we make changes to demand and supply plans rapidly?

Demand Planning

Bottom-Up planning / Top-Down Adjustments

- Statistical planning at the lowest level to establish a proper baseline (plant/material)

- Past consumption patterns, variations and outliers

- Aggregate up across logical groups (i.e. product line)

- Apply market adjustments (%'s) by group

- Allow the technology to disaggregate the market adjustments back to the lowest level to create an actionable demand plan


Apply adjustments at the aggregate levels

Region

Product Group

Plant/Material

Aggregation forecasts
Visualize the trends

Disaggregate

Make the adjustments actionable

Statistical Baseline

Automated Process
Manual Process

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How do make changes to demand and supply plans rapidly?

Inventory

Bottom-Up planning / Top-Down Adjustments

- Dynamic segmentation via a 9-box strategy

- Dynamic replenishment strategies

- Dynamic safety stock

- Strategies set at the group level

- Replenishment targets replanned automatically based on the new demand plan

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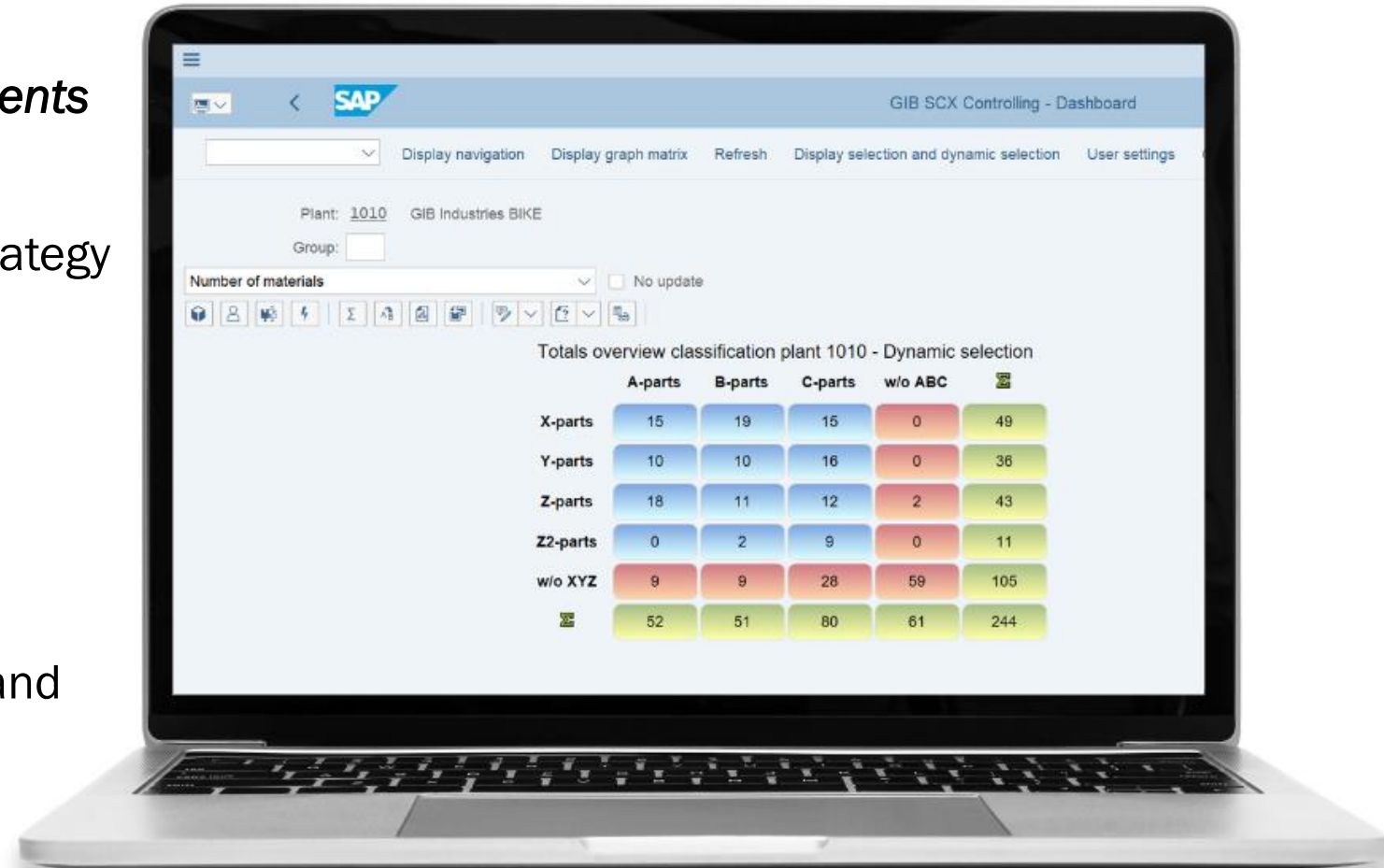
9 BOX INVENTORY PLANNING

	X High Predictability	Y Medium Predictability	Z Low Predictability
A High Volume	Statistical Planning High Service Level High Turns **98% Service Level**	Statistical Planning Good Service Level Good Turns **95% Service Level**	High Potential for Overstock, Low Service Targets, More Manual **85% Service Level**
B Medium Volume	Statistical Planning High Service Level High Turns **95% Service Level**	Statistical Planning Good Service Level Good Turns **90% Service Level**	Inventory Target Level Planning
C Low Volume	EOQ / Min Max	EOQ / Min Max	Consumption Based Planning

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Tangible Improvements

Re-planning activities that would have taken 3+ days to complete were done in less than 1 hour

Inventory levels and supply orders were rebalanced to meet the new reality

Customer Fill Rate disruptions were mitigated with prompt action and ongoing monitoring

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Customer Story #2 – Power & Automation for the Users

Pharmaceutical Distributor

Implemented SAP in 2019

Quickly outgrew a very manual process

Significant offline spreadsheet analysis

Extensive vendor ordering & reporting requirements

Multiple supplier incentive programs to track, balance and optimize

Day to Day Procurement Challenges Across the Broader SAP Community

Decentralized Information*

- **15 – 20** different SAP transactions are accessed to get a complete picture of supply and demand
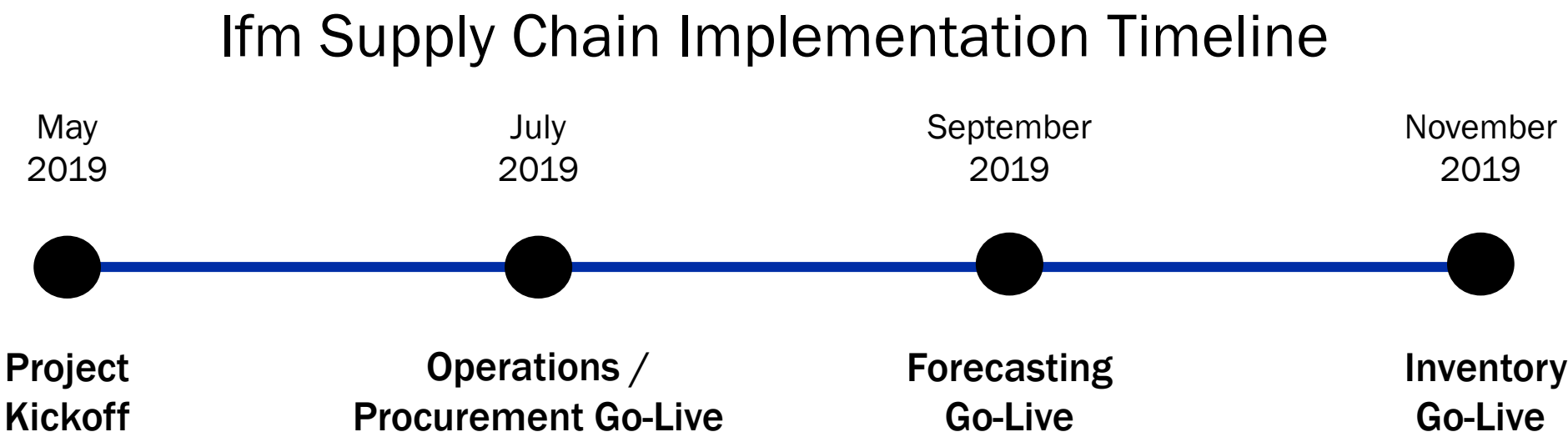
Too Much Manual Intervention*

- **80%** of system generated PO Requisitions are modified

25% of Time Spend on Unnecessary Activities*

- Off-line reports and data analysis

- Investigating stock availability across plants

- PO Req review/edit/convert cycle

- Managing and tracking supplier incentives

- UOM Conversions and/or batch management

Time and Motion Studies from SAP Customers prior to implementing ifm solutions

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3 Successful Go-Lives Within 7 Months

Ifm Supply Chain Implementation Timeline

May 2019	July 2019	September 2019	November 2019
●	●	●	●
Project Kickoff	**Operations / Procurement Go-Live**	**Forecasting Go-Live**	**Inventory Go-Live**

Where do we get the full, E2E visibility to monitor our supply chain?

Strategic Procurement Cockpit

25+ SAP supply chain transactions consolidated to one, customized view

Understand real-time changes to the supply and demand picture

Visibility and insight to action from one central point

Planning, analytics, and execution are aligned and synchronized

Tangible Improvements

50 hours saved

Transaction & reporting automation

42 hours saved

Purchase requisition accuracy and order conversion

23 hours saved

UOM conversions & batch management

18 hours saved

Automated supplier incentive tracking

150 total hours per month, 25%-time savings

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Wrap Up

- Insight for Leadership
  - Planning
  - Simulation
  - Analytics

- Power & Automation for the Users
  - Centrality of information
  - Advanced algorithms for large data set analysis
  - Flexible design to easily personalize for role-based performance

Natural integration inside SAP powered by **ifm supply chain** to created a connected, sustainable supply chain process

Delivering Insight to Action

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Key Points to Take Home

- A sustainable supply chain process is simple, integrated, intuitive, and can survive personnel changes and technology upgrades

- Technologies that are SAP centric provide the best chance for success, scale, and time to value

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Thank you! Any Questions?

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