



VENETIA PARTNERS OVERHAULS S&OP PROCESS FOR A GLOBAL HEAVY MANUFACTURING COMPANY

OVERVIEW

With the objective of double-digit growth in EBITDA, a global manufacturing company embarked on a market shift to expand their business from a relatively simple product and supply chain (i.e. steady demand, less SKUs, and shorter lead time) into growth markets with higher margins but also a much more complex supply chains (i.e. volatile demand, many SKUs, and longer lead time). This strained their global organizational structure, process and systems due to limited understanding of the new requirements, a lack of industry standard tools and minimal data visibility in place to conduct effective Sales & Operation Planning (S&OP).

CHALLENGE

After significant investments in new operations and supply chain partners to produce the new products, the company discovered it was not effectively competing in these new markets.

Primary Symptoms:

- Immature S&OP discipline in comparison with competitor base in new markets
- Lack of a global set of standard process and tool sets to provide S&OP visibility
- Limited true S&OP supply chain experience within organization
- Planning assumptions established to support the legacy business within the new markets led to huge inventory and low cash flow

OUTCOME

Venetia Partners used established alliances with S&OP optimization software companies as well as its experience in manufacturing, engineering, constraints analysis, optimization expertise, program management and change management to:

- Deploy consistent aggregated planning process with a common tool set across all regions
- Establish cross-functional ownership of the S&OP process across Corporate and Supply Chain
- Instill systemic discipline and understanding of “Planning Items” to be maintained in perpetuity
- Build applications allowing flexible planning as well as automation that increased user productivity and explored new production opportunities to relieve bottleneck assets
- Implement appropriate Org and People changes to assure success

RESULTS

Within 12 months of deploying the new process across the global operations, the inventory position improved by 21%.

Outputs Across All Plants:

- Constrained Production & Sales Plans
- Raw materials Plan
- Inventory Forecast

Improved:

Information Quality, Insight, Asset Utilization, Cash Position, Customer Service Levels

“Under Venetia Partners’ guidance, we implemented new tools to increase productivity and time for data analysis, especially in a longer term horizon. We gained the time to launch our project and make changes to potential bottleneck equipment. They allowed us to capture experience knowledge and structure it as manageable data.”

Supply Chain Director

ABOUT VENETIA PARTNERS

Venetia Partners, an international boutique firm of operational solutions experts, drives rapid performance improvement, real outcomes and an immediate impact on the bottom line. Its no nonsense approach to fix, build or transform operational challenges often associated with the supply chain makes it sought after by large manufacturing and distribution companies and private equity firm owners. Venetia Partners operates out of nine major markets including Atlanta, Chicago, Pittsburgh, Shanghai and Milan.

To speak with an expert, please call 800.607.0910 or email: sales@venetiapartners.com