A highly integrated Supply Chain Planning using SAP APO

Deliver visibility, integration and issue resolution

A Metal Manufacturing company designs its supply chain planning using Enterprise Resource Planning System-SAP Advanced Planning and Optimizer. The Planning System provided more supply chain visibility, issue resolution and simulation capabilities, reduced order-to-cash life cycle and inventory levels and brought about a proactive demand management framework for different supply chain scenarios and frameworks.

Challenge | Solutions | Impact | Conclusions

Business Challenge

Initial assessment phase of the Supply Chain revealed a lot of issues and disconnects in the Supply Chain Processes, Planning Systems and the Performance Management Processes such as lack of data integration, inconsistencies in data structure, duplicate product materials, lack of centralized planning, lack of visibility, lack of performance metrics, lack of in accountability and a highly disintegrated Planning System. The metal manufacturing company received 10 raw materials from its suppliers, which formulates into 50 different Bulk parts, which in turn gets packaged into 200 different Finished goods. The Customers are mainly marketing dealerships and agencies situated in different parts of the world.

Solutions

The Supply Chain Management Implementation team delivered a highly integrated Supply Chain Planning Design of the Planning Stages and the Planning Processes in the Supply Chain. The Processes include Demand data, Sales Order, Global ATP, Replenishment, Distribution planning and Inventory balancing, Production planning, ATP and Detailed Scheduling, Production orders and Purchase Requisitions. Fig. 1.1 gives a clear view of the Design Cycle and the Respective processes involved in the implementation.

" The Business Challenge was the lack of data integration, lack of visibility and lack of accountability in the metal manufacturer's systems and

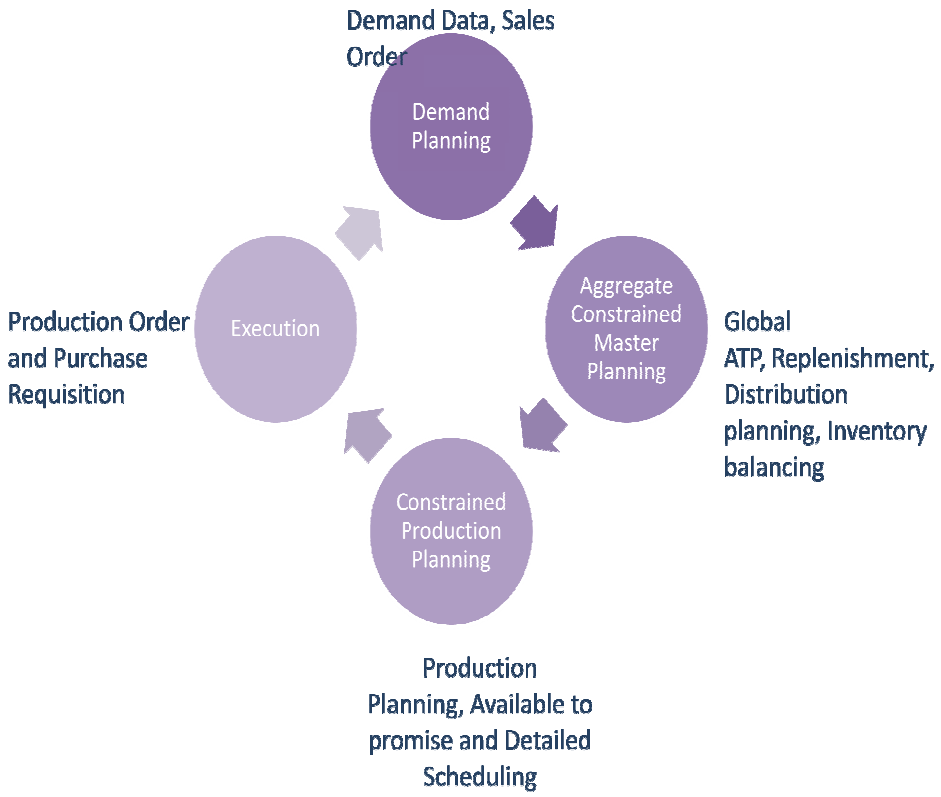

Fig 1.1

Significant changes were made in production through sequential machine setup grouping, production sequencing grouping and master data model setup to enhance productivity and to facilitate efficient use of resources. SNP simulation and planning models were created on a one year planning horizon synchronizing with the strategic growth plan of the organization.

Impact

- Greater Visibility
- Increased Issue Resolution Capability
- Fast and efficient Simulation and Modeling Capabilities
- Proactive demand management and production scheduling capabilities
- Reduced order-to-cash life cycle and inventory levels
- Greater Performance Management

Conclusion

The implementation proves a great deal of Integration Architecture and the robustness of SAP APO's Optimizer engine. The advanced planning systems and the planning strategies are in synch with the Strategic Goal of the company.

operations processes."

" The ERP implementation brought about greater visibility, faster simulation capabilities for alternative planning scenarios and reduced order to cash life cycle "