

Today, most businesses struggle to find the right balance between inventory and service levels. It's not unusual to see companies with too much of the wrong inventory and not enough of what their customers are actually buying. This situation leads to higher inventory levels and lower customer service levels which is not a good place to be. Having the correct mix of inventory is critical in supporting the customer service level policy of your business.

At SCMO2, we focus on the applications in the SAP® toolkit to help customers better align inventory levels with customer service levels. We can assess your current supply and inventory processes, capabilities and aspirations in order to develop a roadmap to Supply and Inventory Optimization.



### SCMO2 Helps Supply Planning Teams:

- ✓ Gauge the maturity level of both their supply and inventory processes and their organizational capabilities to identify any gaps to achieving their goals. Develop a plan to close those gaps as part of the roadmap.
- ✓ Navigate the tool selection process to find the best combination that supports their particular business challenges. To plan supply, do I need a simple unconstrained explosion of requirements across my network? Does my planning problem require a material or capacity constrained plan? To plan inventory, do I need a dynamic, fixed or statistical calculation?
- ✓ Understand how to develop an inventory plan and how to model the different layers of inventory in the various SAP® solutions.
- ✓ Learn how to analyze the trade-offs between varying customer service levels and the inventory costs required to support those different policies.
- ✓ Apply segmentation analysis to your product portfolio across multiple dimensions to better inform your inventory policy decisions.

### SCMO2's Business Process Expertise



### Our rapid assessments and workshops deliver:

- A proven approach to help determine which application or combination of applications best addresses your requirements providing a roadmap with business logic and benefits.
- Design, implementation or optimization of the supply planning engine within the selected application(s) across ECC MRP, SNP, PPDS, or a combination of them with EIS or IBP for Supply and Response.
- Solution options, design and implementation of the safety stock engine within the selected application(s) using Hueristics, CTM or Optimizer and the use of EIS or IBP for Inventory Optimization.
- Training of planners on how to interpret and fine tune the resulting inventory projections so they are not just working with a "Black Box" approach and understand the logic to optimize as needed moving forward.

SCMO2 is a supply chain management firm that has built its reputation on making SAP® SCM solutions work by attaining better results than ever before. Our team of veterans ensure that the planning and scheduling processes and procedures that run the supply chain are managed within the SAP® system by providing solutions that always enhance user adoption and drive business benefits. Whether you are on a legacy version of APO or moving to the latest IBP HANA architecture, we can help you get the most from your supply chain technology investments.



## SCM Redesign Case Study



### ABOUT THE COMPANY

The Clorox Company – based in Pleasanton, CA is a global CPG company with leading brands such as Pine Sol, Fresh Step, Kingsford, Hidden Valley, KC Masterpiece, Brita, Glad and Burt’s Bees. The estimated revenue of the Clorox company is \$5.6B annually.



### ABOUT THE ENGAGEMENT

- SCMO2 selected to lead a redesign project using APO (DP/SNP) EIS/SmartOps. The business had invested heavily in APO/SmartOps but the user community had rejected the solution and was planning offline in spreadsheets.
- Assessment of the end to end planning process to identify the barriers to use and implement/train system/process changes to remedy.
- Focus on integration of Demand, Supply Planning (SNP/Deployment/VMI) and Safety Stock Planning.



### SOLUTIONS & VALUE OFFERINGS

- The analysis revealed: Inventory planning design did not produce the desired projected inventory. Capacity planning was not generating a feasible rough cut capacity plan. Deployment optimizer distribution plan required constant redeployment. High % of SmartOps results overridden.
- Enabled target stock and rationalized SmartOps overrides to generate correct projected inventory.
- Replaced deployment optimizer with deployment heuristic to reduce redeployments.
- Fixed intermittent SmartOps interface issues that reduced safety stocks by 25%.