

Supply chain planning consistency

EXECUTIVE SUMMARY

Producing goods efficiently requires having the exact right amount of raw materials needed. However due to complex business setup, it is difficult to guarantee ideal and consistent planning with standard ERP solutions. Our new data analytics solution improves planning accuracy in 18 participating plants and greatly reduces firefighting to prevent allocation risks.

› CHALLENGE	› SOLUTION	› VALUE	› CLIENT
<p>Like in typical complex manufacturing setups, standard ERP planning is checked and amended by manual data processing based on Business Warehouse data. Our experts are capable to analyze tight spots in the supply chain with spreadsheet logic. The challenge is however, that this manual analysis is a reactive process to known issues only. We wanted to become pro-active in applying the same planning consistency checks for the entire supply chain instead of single material numbers processed in Excel only. Thereby, the solution needs to provide ultimate flexibility and business user ownership, as it is in no one's interest to create a shadow ERP system.</p>	<p>Working in an agile iterative setup with domain experts meant new learnings were quickly incorporated into the solution, making it most useful to address the business issue. Having identified and cleaned up the data required for the analysis, a holistic planning consistency check tool was built to clearly visualize plant, vendor, and raw material with potential allocation issues due to inadequate ordering or change in demand. Key users were not only trained in using but also in maintaining future changes to the solution themselves.</p>	<p>A fully automated solution running monthly, allows the raw material planners to accurately monitor planning efficiency at their locations. Planners can easily identify upcoming issues in a heatmap displaying top critical vendors. The involved teams' mode of operation changed from reactive to proactive while at the same time reducing allocation management cost.</p>	<p>"The development of the so called 'heatmap' was a big step forward for the supply chain community within our business unit. Linking the correct bill of materials to selected finished good part numbers always took us several days to weeks. Now it is possible with one click for the whole business unit. Starting the collaboration with the CES Data Services team in 2017 was a major starting point for us to set a strong basis for data analytics and awaken to the incredible benefits of data science."</p> <p>Alexandra Bornemann, Head of Supply Chain Management, Continental AG, Business Unit Passive Safety and Sensorics</p>

