

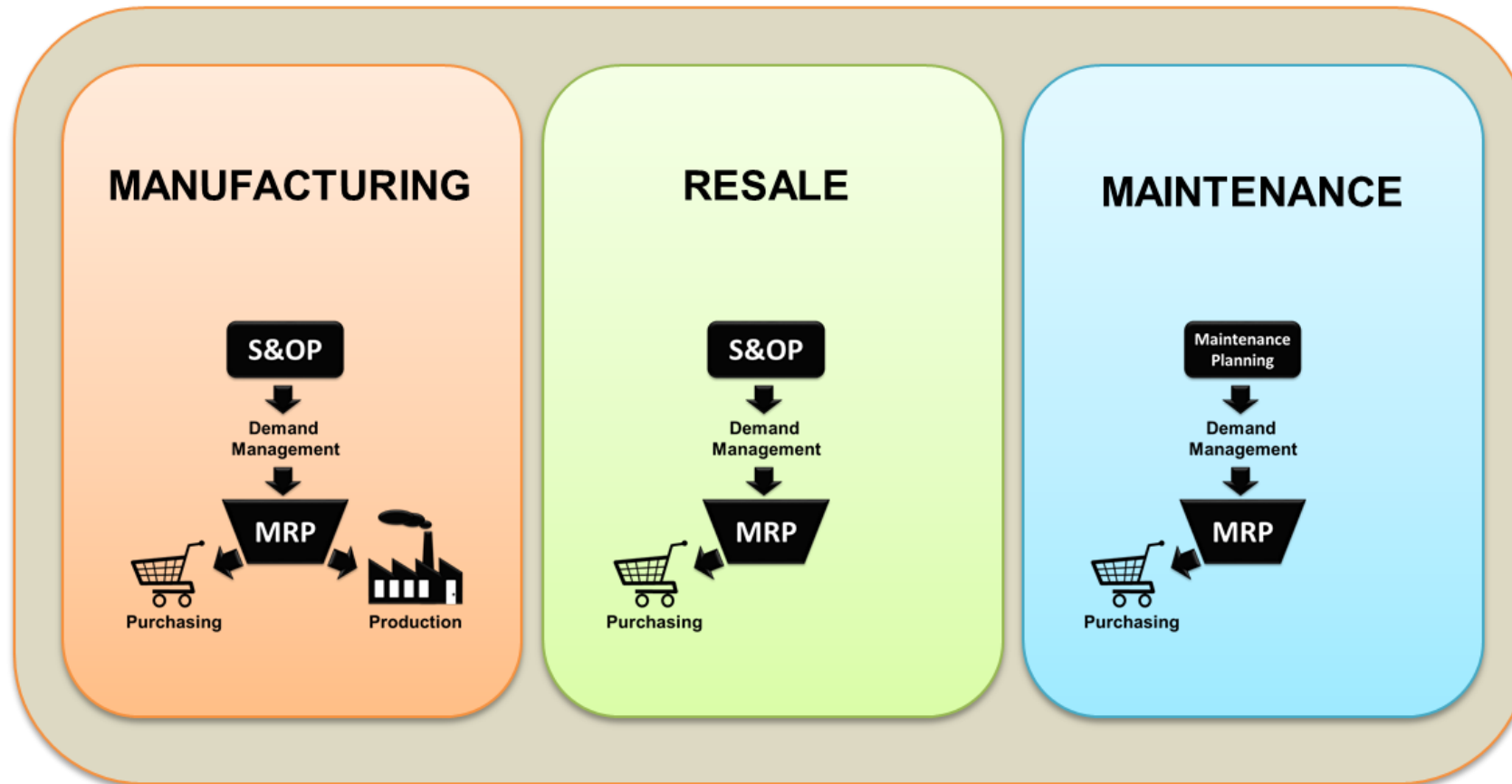
10 Practical Steps That Will Ensure Reliable Supply Chain Data

Joseph Grobler

Global Solution Development – Transform Value Consulting



Supply Chains across Industries

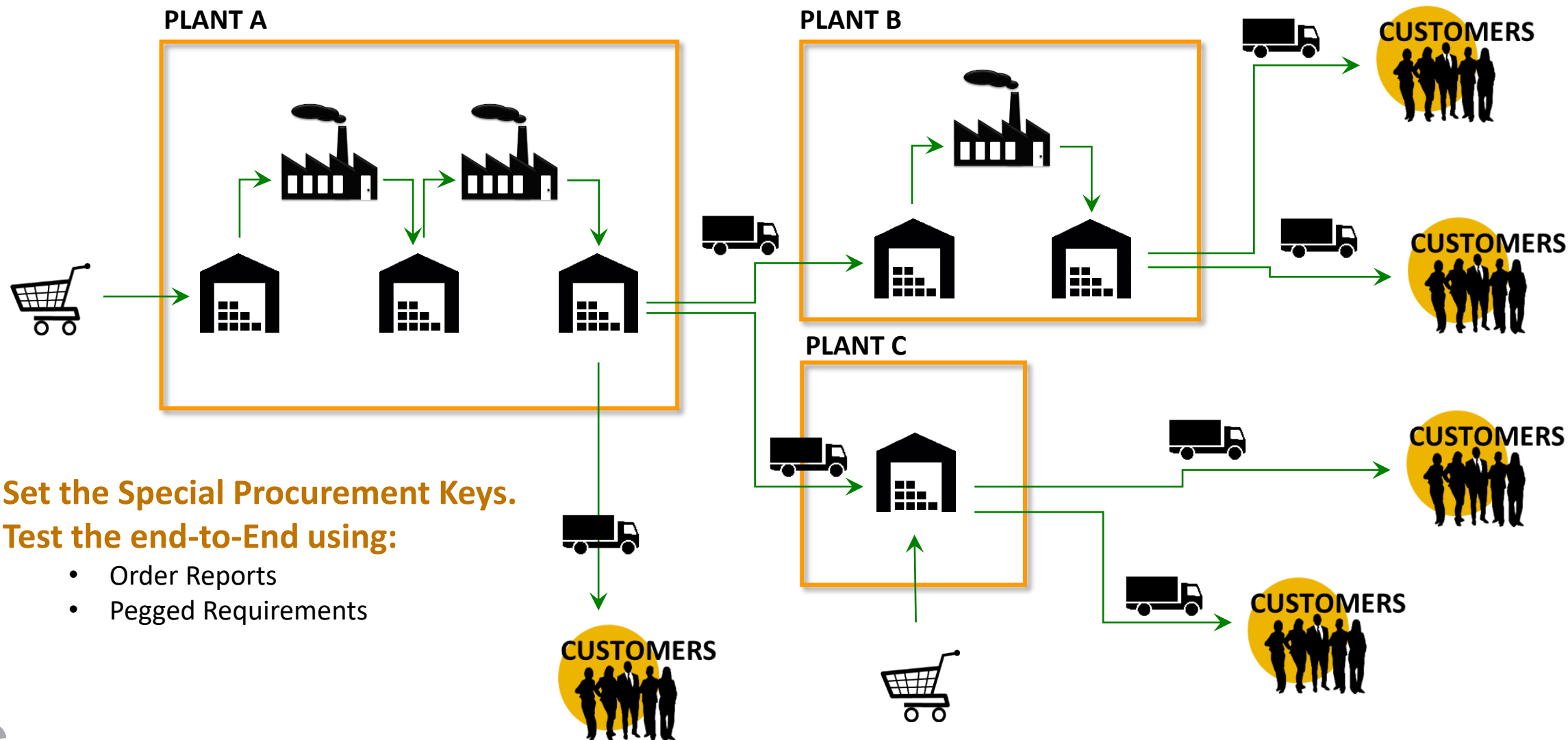


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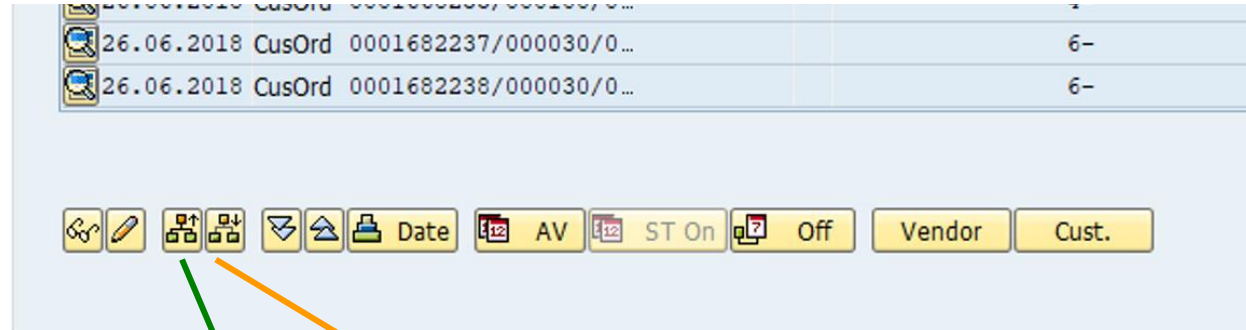


End-to-End Connected Supply Chain

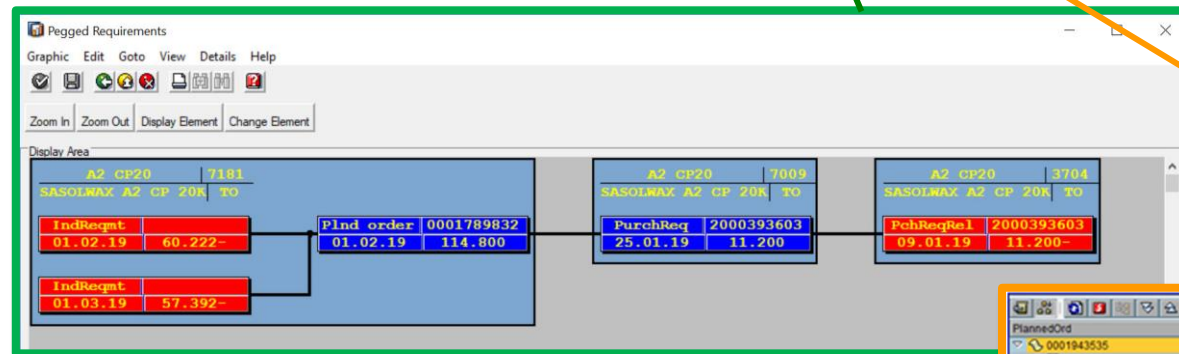




Up and Down the Supply Chain



Peg UP



Order Report

PlannedOrd	Description	Require...	Requir...	Reqmt Ele...	R...	Recd reqd qty	B...	Receipt...	Rec...	Receipt...	R...	Key	Error message
0001943535													
100813		PIOrd	1943535	1	1899,000 F...	08.12.2011		PIOrd	1943535				Exception Message for Lower ...
204518		DepReq	2551214	1	1908,495 F...			Stock					
309108		DepReq	2551214	2	2,035,735 F...	23.12.2011		PurR...	12169184	1	10		Reschedule in (07.12.11)
309108		PRqRel	12169184	1	17,532,986 F...	10.12.2011		PrdOrd	3623976	1	10		Reschedule in (08.12.11)
201875		OrdRes	2551362	1	67,324,740 F...	27.12.2011		PrdOrd	3620183	1	10		Reschedule in (08.12.11)
200031		DepReq	2550497	1	4,222,021 LB	08.12.2011		PIOrd	1943156	1	10		Reschedule in (07.12.11)
100009		DepReq	2550749	1	114,701,252 LB	09.12.2011		PIOrd	1943183	1	10		Reschedule in (07.12.11)
100031		DepReq	2550776	1	145,697,168 LB	31.12.2011		PurR...	12169778	1	10		Reschedule in (07.12.11)
100182		DepReq	2550776	2	55,018,511 LB	10.12.2011		Ol-SL	9406969	1	10		Reschedule in (07.12.11)
100144		DepReq	2550776	3	82,527,767 LB	06.01.2012		Ol-SL	_12R001	1	10		Reschedule in (07.12.11)
100169		DepReq	2550776	4	125,279,188 LB	31.12.2011		PurR...	12169729	1	10		Reschedule in (07.12.11)
100168		DepReq	2550776	5	79,471,183 LB	28.12.2011		PurR...	12169733	1	10		Reschedule in (07.12.11)
100172		DepReq	2550776	6	50,943,066 LB	19.12.2011		PurR...	12169731	1	10		Reschedule in (07.12.11)
100171		DepReq	2550776	7	44,829,898 LB	31.12.2011		PurR...	12169738	1	10		Reschedule in (07.12.11)
100069		DepReq	2550776	8	26,490,395 LB	31.12.2011		PurR...	12169735	1	10		Reschedule in (07.12.11)
100060		DepReq	2550776	9	10,005,219 LB			Stock					
100071		DepReq	2550776	10	1,996,969 LB			Stock					
100136		DepReq	2550776	11	998,485 LB			Stock					
		DepReq	2550776	12	3,015,830 LB			Stock					





Production Capacity Planning Table (Board)

Planning Table: SAPCRPG001 Finite scheduling forw./all functs.activ NTT

GrafObj. Capacity Order Operation Strategy Plan.log.

Work Centers			
Work ctr	Cap.cat	Wk.cntn.descrip	
VARISH	001	Varishear	

Orders (dispatched)			
Spl	Material	Prio	Order
0	27400		450611380
0	27400		450611381

Orders (pool)			
Spl	Material	Prio	Order
0	27383		1607109
0	27400		1607108
0	27368		450611450
0	27368		450611451
0	27368		450611452
0	27383		450611466
0	27383		450611467
0	27383		450611468
0	27383		450611469
0	27368		450611453
0	27383		450611470
0	27368		450611454
0	27400		450611440
0	27368		450611455
0	27400		450611441
0	27368		450611456

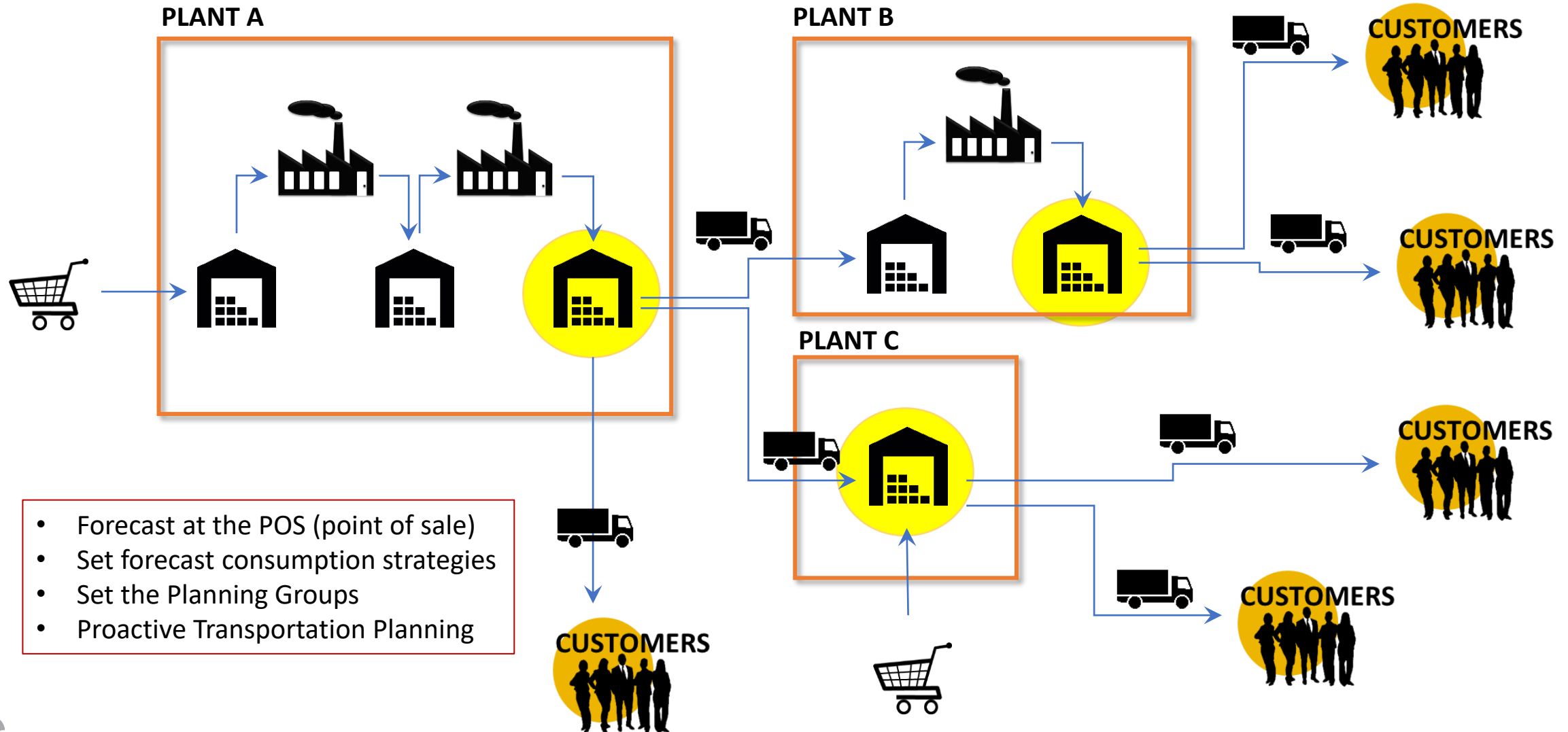
01.07.2023 05:19:00 Cha

SAP CM25 a061008 INS

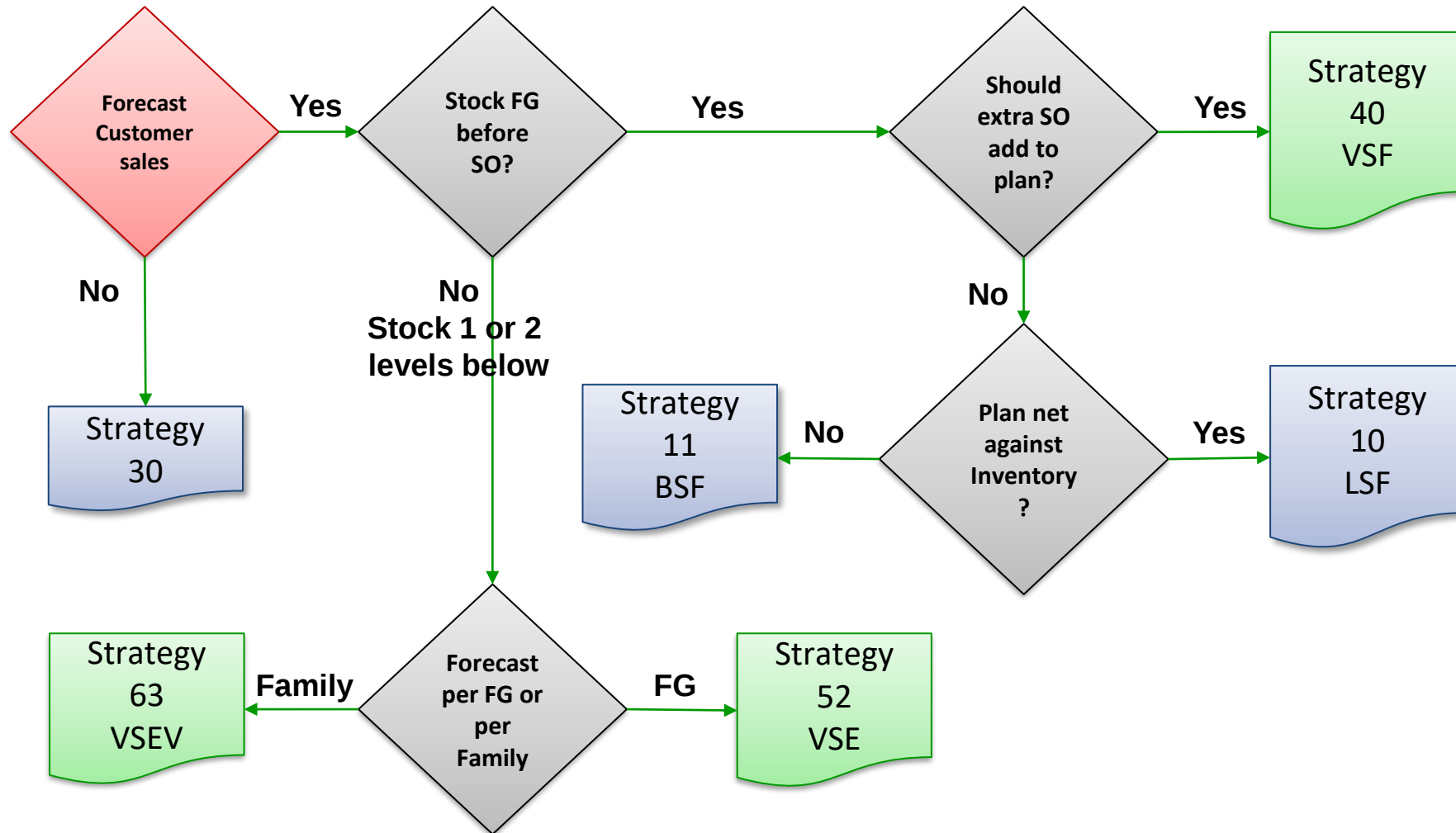
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Forecast in Connected Supply Chain



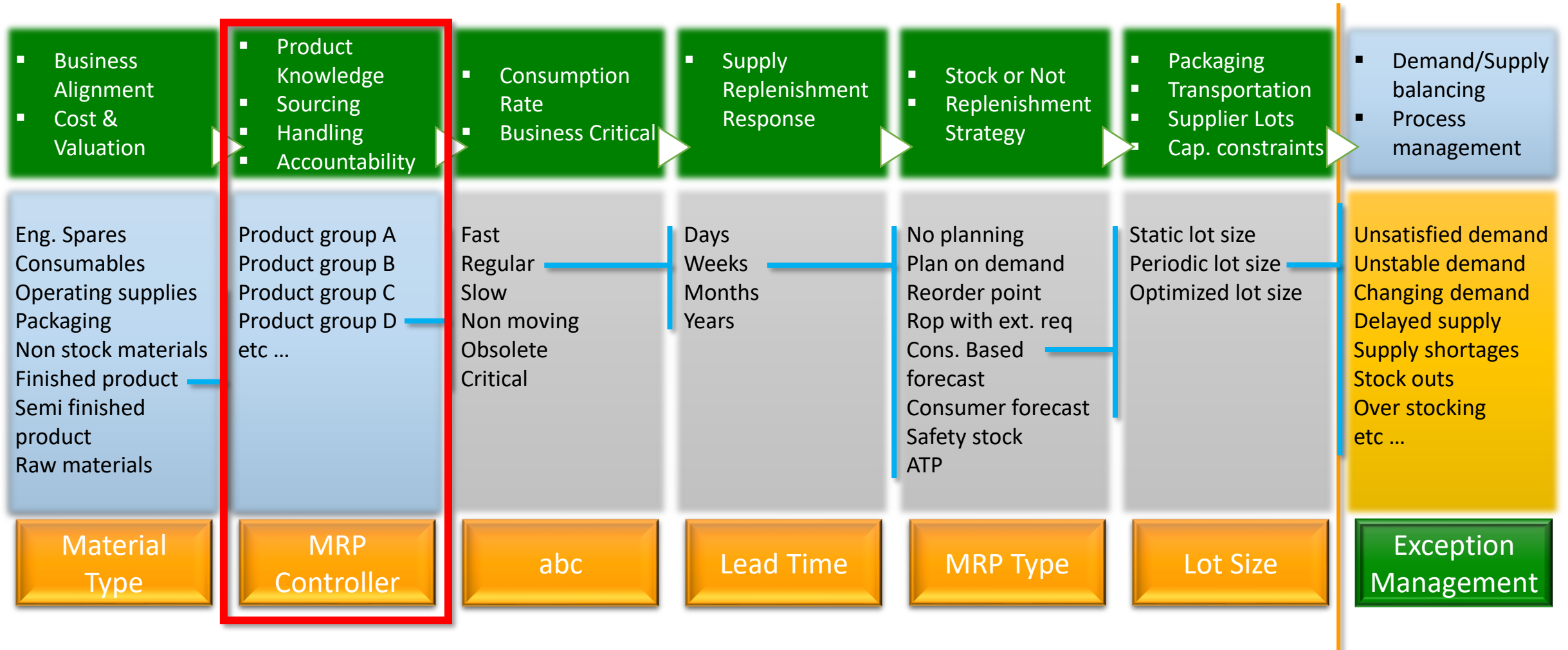
Example – Planning Group decision tree



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Material Grouping & Master Data





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Holistic Solution

- SYSTEM**
- Organization Structure
 - Functional Processes
 - Functional Integration
 - Material Master Data
 - Process Master Data
 - End-to-end visibility
 - Audit trail

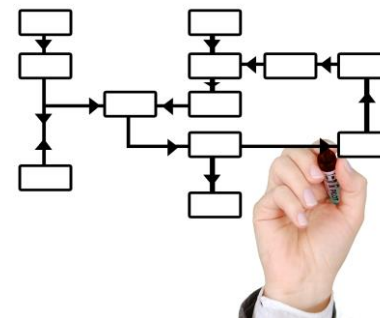


PEOPLE

- Education & Certification
- Accountability & Responsibility
- Daily Routines – FIT routines
- Job Descriptions & KPI's
- Change Management Program
- Data/Process Governance

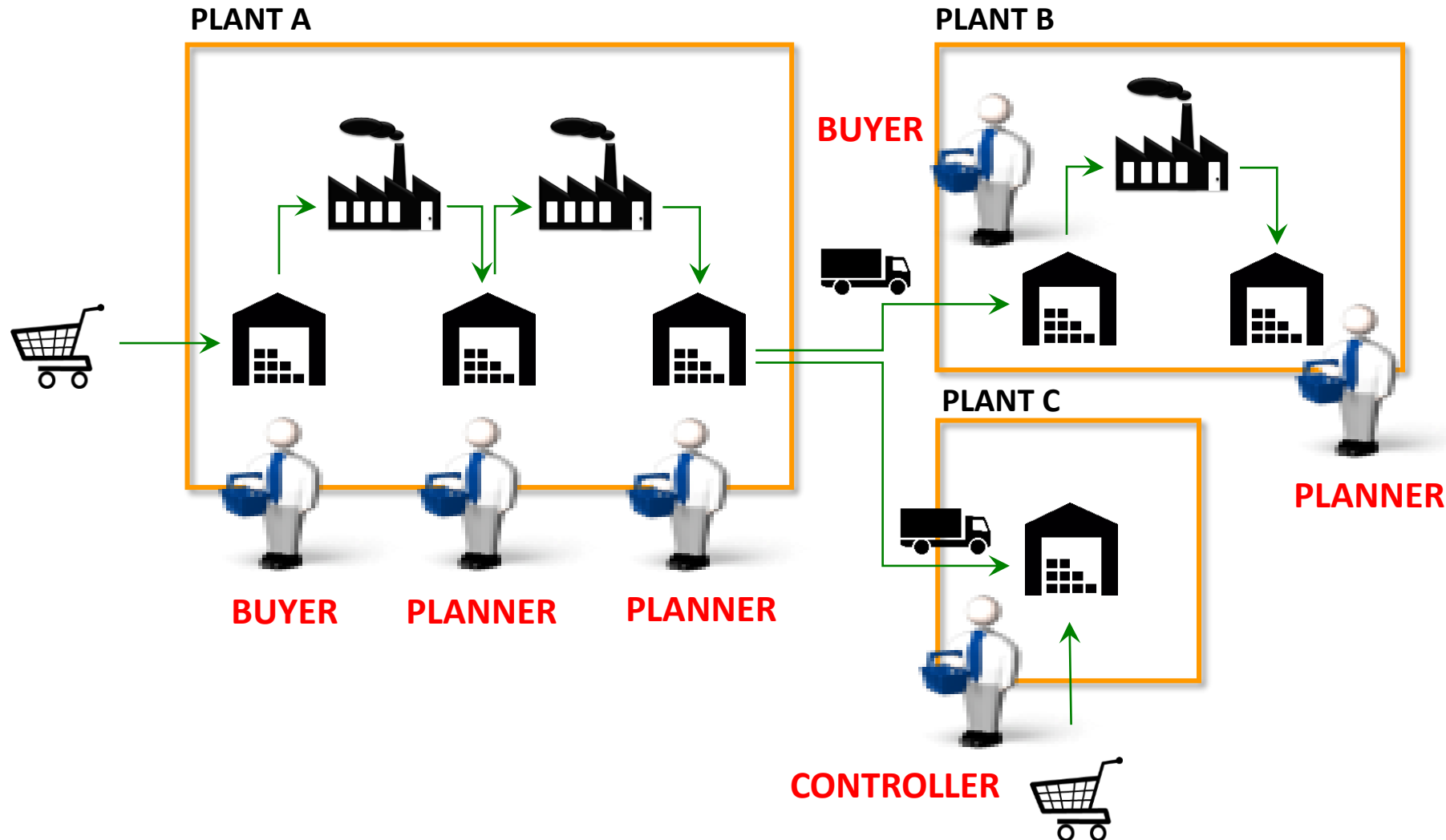
PROCESS

- Best Business Practice
- Integration Management
- Exception Management
- 3 way match
- Analysis





Forecast in Connected Supply Chain





Single Point of Responsibility

**BUYER
PLANNER
CONTROLLER**

Plant: AB01 Mozal Aluminium Smelter
MRP Controller: 005 SLOW

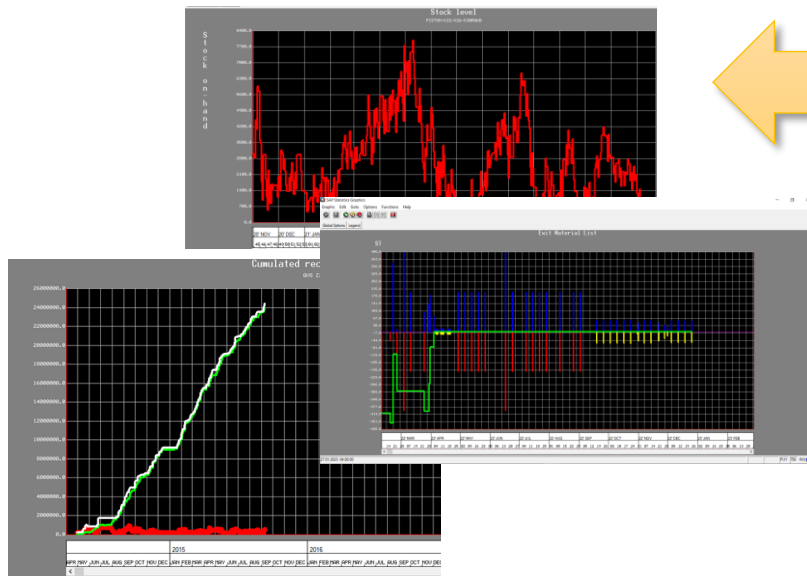
Light	Material	MRP Area	Material Description	A StckDS	1st R...	2nd R	1	2	3	4	5	6	7	8	Plant stock	B...	M...	P..	S..	A..	M.
	10085639	AB01	PLATE CENTRE RING FOR SERV 1545487	183,8	183,8-	183,8-									6	EA	HIBE	F	U	V1	0
	10076621	AB01		999,9	999,9				2						80	EA	HIBE	F	U	V1	9
	10090609	AB01		999,9	999,9				2				2		0	EA	HIBE	F	U	V1	9
	10089600	AB01		61,0-	61,0-				2						0	EA	HIBE	F		V1	0
	10829529	AB01		999,9	999,9				5						0	EA	HIBE	F	U	V1	0
	10090109	AB01		59,0-	59,0-								1		0	EA	HIBE	F		PD	9
	10090138	AB01		999,9	999,9				1						0	EA	HIBE	F	U	V1	0
	10277541	AB01		999,9	999,9				2						4	EA	HIBE	F	U	V1	9
	10080502	AB01		24,5-	24,5-				2						0	EA	HIBE	F	U	V1	0
	10075778	AB01		24,0-	24,0-										0	EA	HIBE	F	U	V1	0
	10090677	AB01		999,9	999,9				1						0	EA	HIBE	F		V1	9
	10088990	AB01		23,0-	23,0-										0	EA	HIBE	F	U	V1	0
	10076235	AB01	PULLEY,DRIVE,SOLISERV 17599E08	19,0-	19,0-	19,0-									0	EA	HIBE	F	U	V1	0
	10082495	AB01	GAUGE,SIGHT,LEVEL,ELESA 15010002	19,0-	999,9	999,9			4						0	EA	HIBE	F	U	V1	0
	10095413	AB01	RELAY,OVERLOAD,9-13A,TELEMEC LRD16913A	18,0-	3,0-	3,0-			2	1					0	EA	HIBE	F	U	V1	0
	10087780	AB01	PLUMMER BLOCK ASSY,FAG SN513611NDR	17,0-	999,9	999,9			1						0	EA	HIBE	F	U	V1	0
	10088585	AB01	BEARING,BALL,6303-2RS,SIGNODE 460343	11,5-	999,9	999,9			1						2	EA	HIBE	F	U	V1	0
	10493212	AB01	EVAPORATOR,INVERTER,DAIKIN FTXS71FV18	11,0-	999,9	999,9			1						0	EA	HIBE	F	U	V1	0
	10080114	AB01	GAUGE,PRESS,0-168AR,0-230PSI,50MM DIA DI	10,0-	10,0-	10,0-			1						1	EA	HIBE	F	U	V1	0
	10087178	AB01	AMMETER,0-15A,72MM2 FACE,C/W 1A CURRENT	5,0-	999,9	999,9			1						0	EA	HIBE	F		V1	0
	10087364	AB01	RELAY,OVERLOAD,THERMAL,TELEMEC LR9F5369	5,0-	999,9	999,9			3						0	EA	HIBE	F	U	V1	0
	10098769	AB01	LIGHT,ROTATING,110VAC	4,0-	4,0-	4,0-			1	1			1		0	EA	HIBE	F		V1	0
	10086310	AB01	CARRIER,FIXED	3,8-	3,8-	3,8-									2	EA	HIBE	F		V1	0
	10076009	AB01	LUBRICATOR,AUTOMATIC,SKF LAGD125HP2	2,5	13,5	13,5			1						6	EA	HIBE	F		V1	0
	10082622	AB01	BRUSH HOLDER,ALESSA MS2050400A4633	4,0	4,0	4,0			1						0	EA	HIBE	F	U	V1	0
	10080275	AB01	V BELT,SPZ SECTION,FENNER VB10N1700	9,5	9,5	9,5			1						1	EA	HIBE	F		V1	0
	10089426	AB01	BEARING,LR202RRU,INA LR202RRU	10,0	999,9	999,9			1						0	EA	HIBE	F		V1	9
	10082963	AB01	BOOT,MILLER 057RF8870026325	12,0	999,9	999,9			1						0	EA	HIBE	F	U	V1	0





Planners / Controllers / Buyers

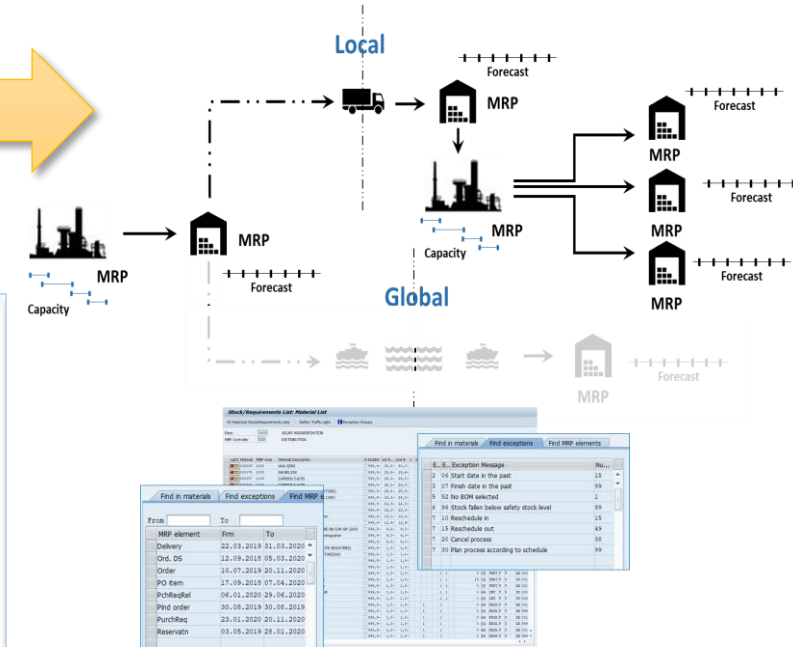
INVENTORY ANALYSIS



TARGET & IMPROVE

High inventory values
Min/Max deviation
Inventory availability

PROCESS PERFORMANCE ANALYSIS



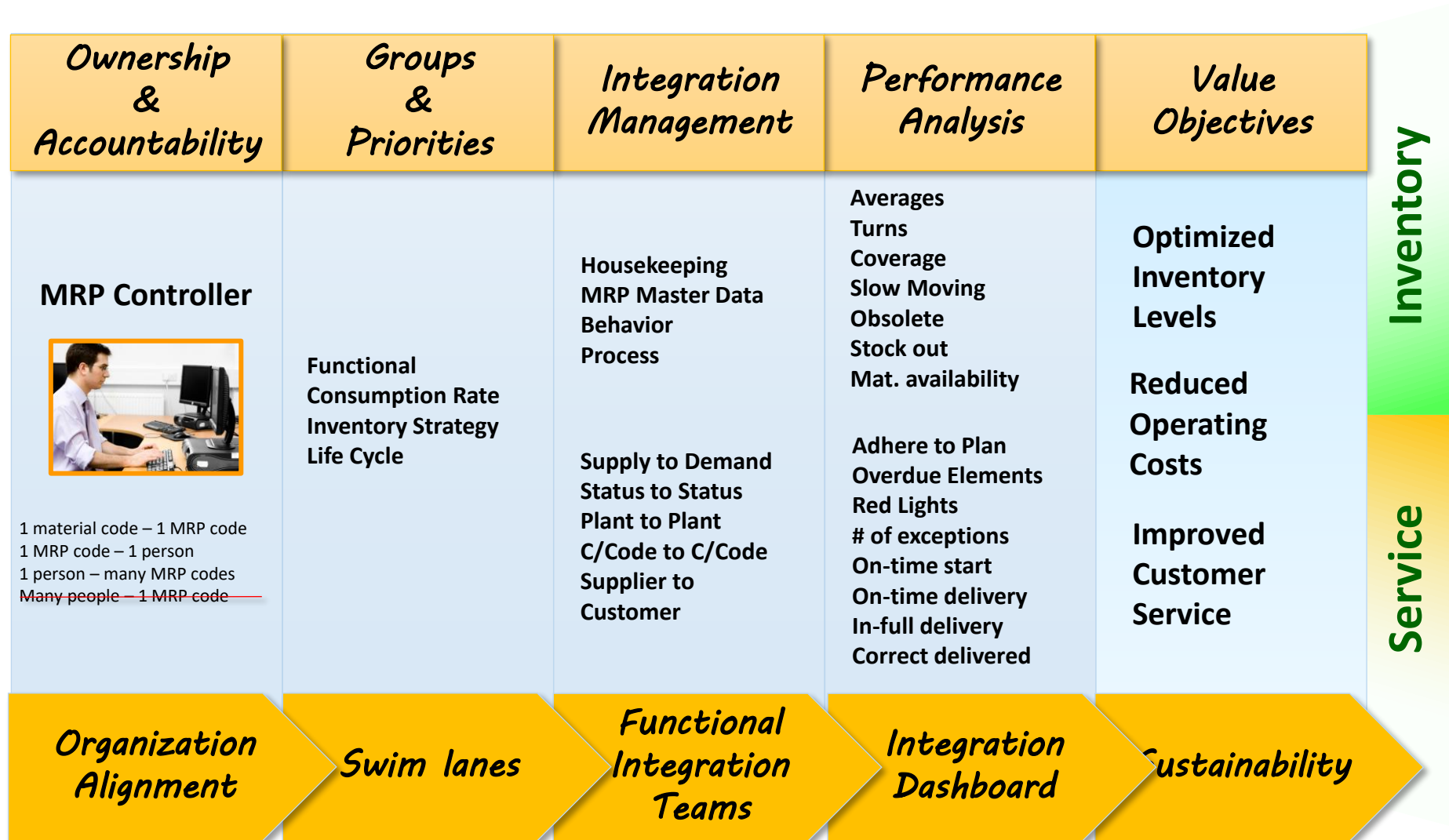
TARGET & IMPROVE

Exception message management
Functional integration
MRP material master
Best business practice





Accountability and Business Value

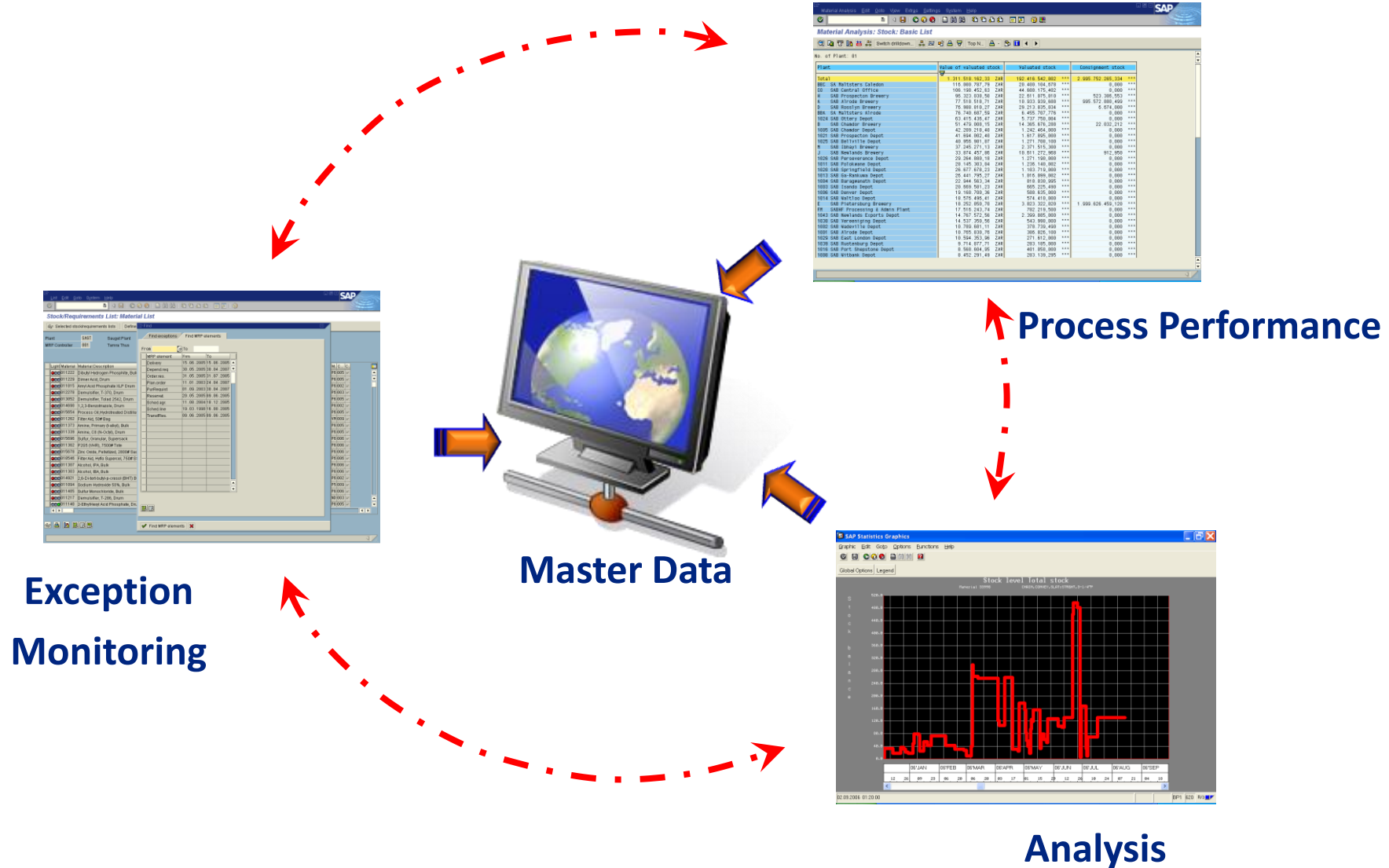


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Integrated Management Tools



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FIT – functional **INTEGRATION** teams

2

3

1

4

Information: 11051
mats were selected

Set up lists beforehand?

Yes No Cancel

MRP ele	Frm	To
OrderRes	20.05.2016	30.03.2017
PO item	20.05.2011	20.08.2017
PurchReq	19.06.2010	07.06.2017
QM InspLot	20.10.2016	20.10.2016
Reservatn	17.08.2016	04.01.2017
ShpgNote	02.10.2009	18.03.2017

E.. E..	Exception Message	Nu...
2	Start date in the past	61
3	07 Finish date in the past	99
6	26 Excess in individual segment	22
7	10 Reschedule in	7
7	15 Reschedule out	1
7	20 Cancel process	99

Light Material MRP Area Material Description A StckDS 1st R... 2nd R

10085639 AB01

10076621 AB01

10090609 AB01

10089600 AB01

10829529 AB01

10090109 AB01

10090138 AB01

10277541 AB01

10080502 AB01

10075778 AB01

10090677 AB01

10088990 AB01

10076235 AB01

10082495 AB01

MEC LRD169

513611NDR

ODE 460343

IN FTX571FV

SL50MM DI

C/W 1A CJR

ELEMEC LR9

LAGD125HP

50400A4633

VB10N1700

10089426 AB01

10082963 AB01

BEARING,LR202RRU,INA LR202RRU

BOOT,MILLER 057RF8870026325

10,0 999,9 999,9 1

12,0 999,9 999,9 1

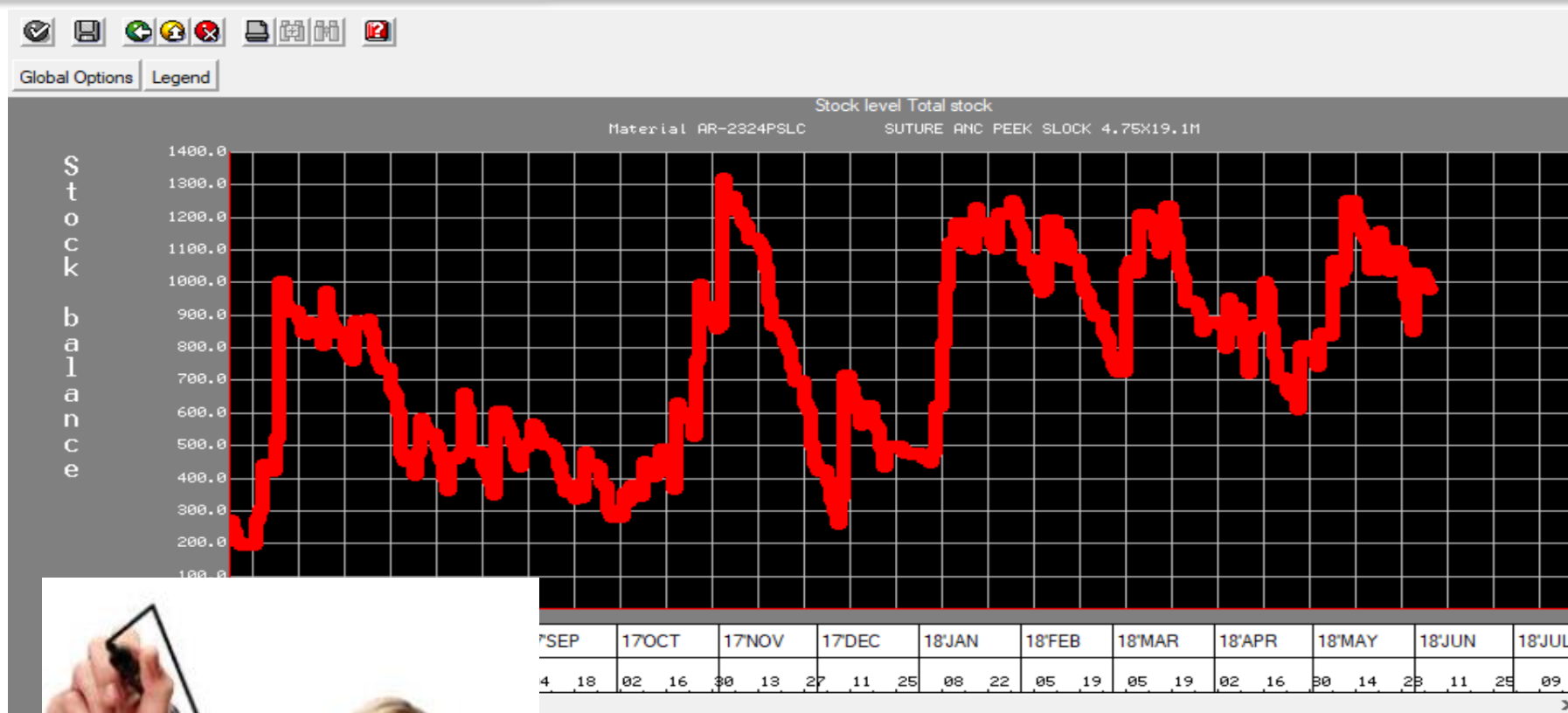
0 EA HIBE F U V1 0

0 EA HIBE F U V1 0





Inventory Analysis



Value / Quantities
Averages
Consumption rates
Obsolete
Buffer (Dead)
Turns
Stock Outs

Process Stability
Consumption Predictability
Inventory Buffer Strategies
Planning Strategies
Replenishment Strategies
Lot Sizes and Frequencies
Forecast Consumption

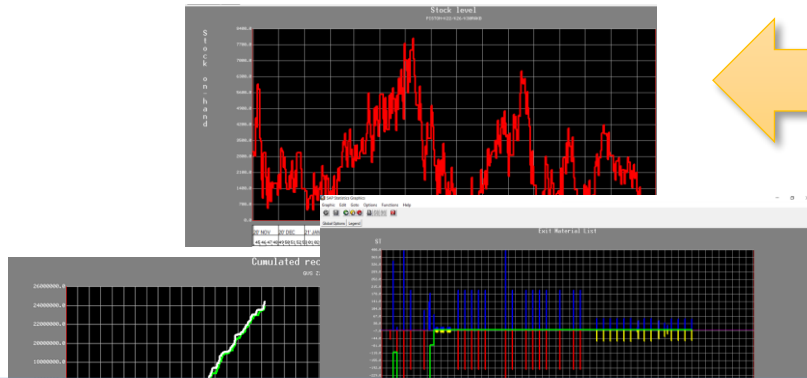


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Planners / Controllers / Buyers

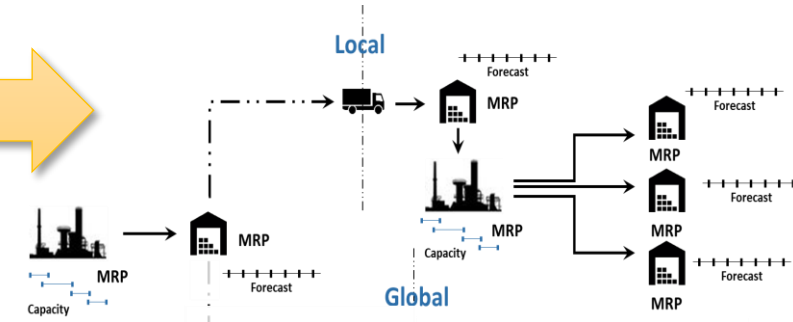
INVENTORY ANALYSIS



BUSINESS VALUE THROUGH INVENTORY OPTIMIZATION

- Reduced cost of Inventory Buffers (Dead Stock)
- Increased Inventory Turns
- Reduced Average Inventory Values
- Improved Inventory Availability
- Reduced lost Sales
- Reduced Stock Out Situations
- Increased Inventory Visibility
- Reduced Handling and Storage Costs
- Reduced Transportation Costs

PROCESS PERFORMANCE ANALYSIS



PROCESS

- Process Data Housekeeping
- Reduce Red Lights
- Reduce no of Exception Messages
- Maintain an Action Log

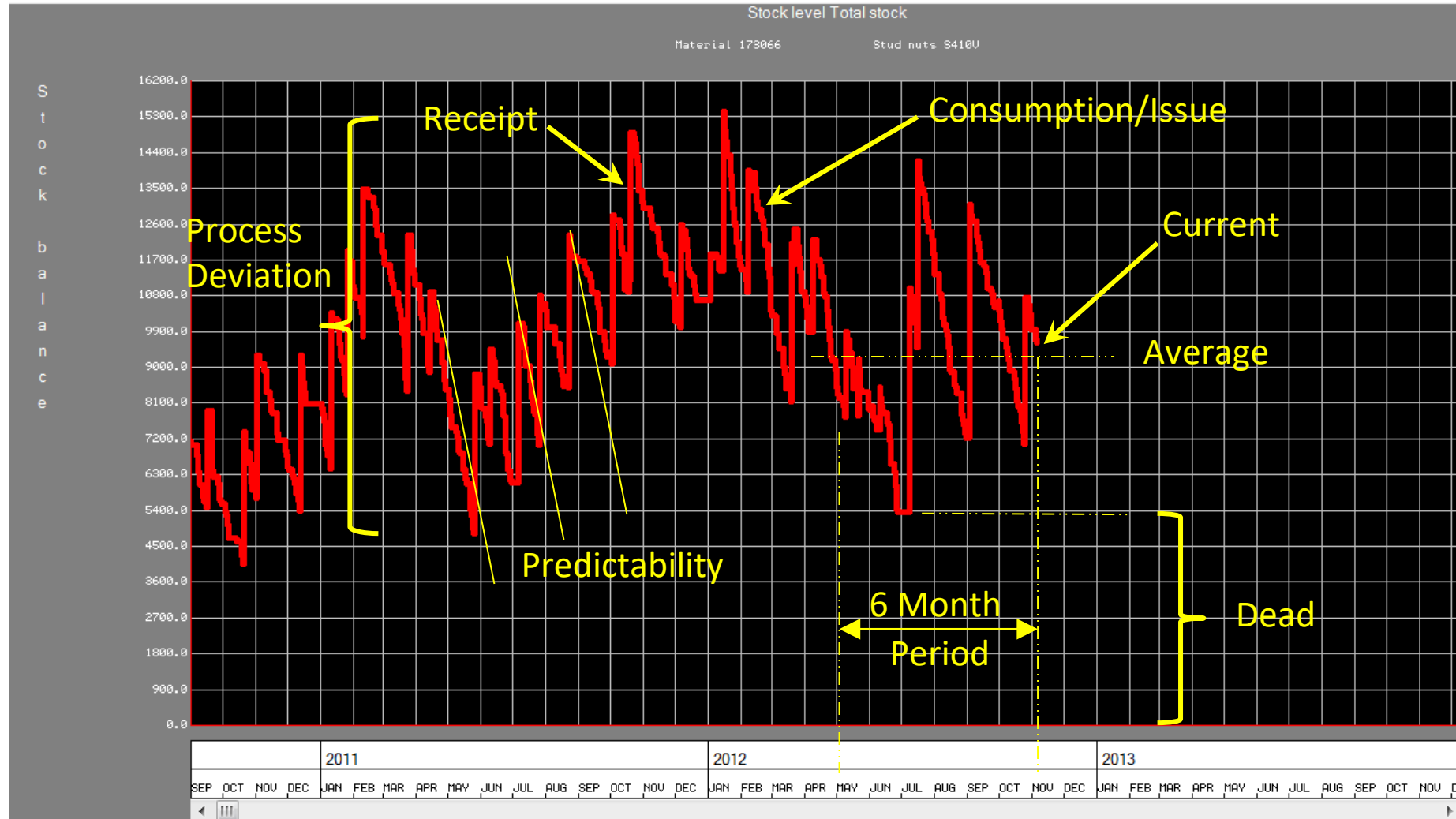
BUSINESS VALUE from PROCESS IMPROVEMENT

- Increased Service Levels
- Increased Data Accuracy
- Increased flexibility and agility
- Reduced Operating Costs
- Increased Transactional Automation
- Improved Management Information
- Improved Management Decision Making



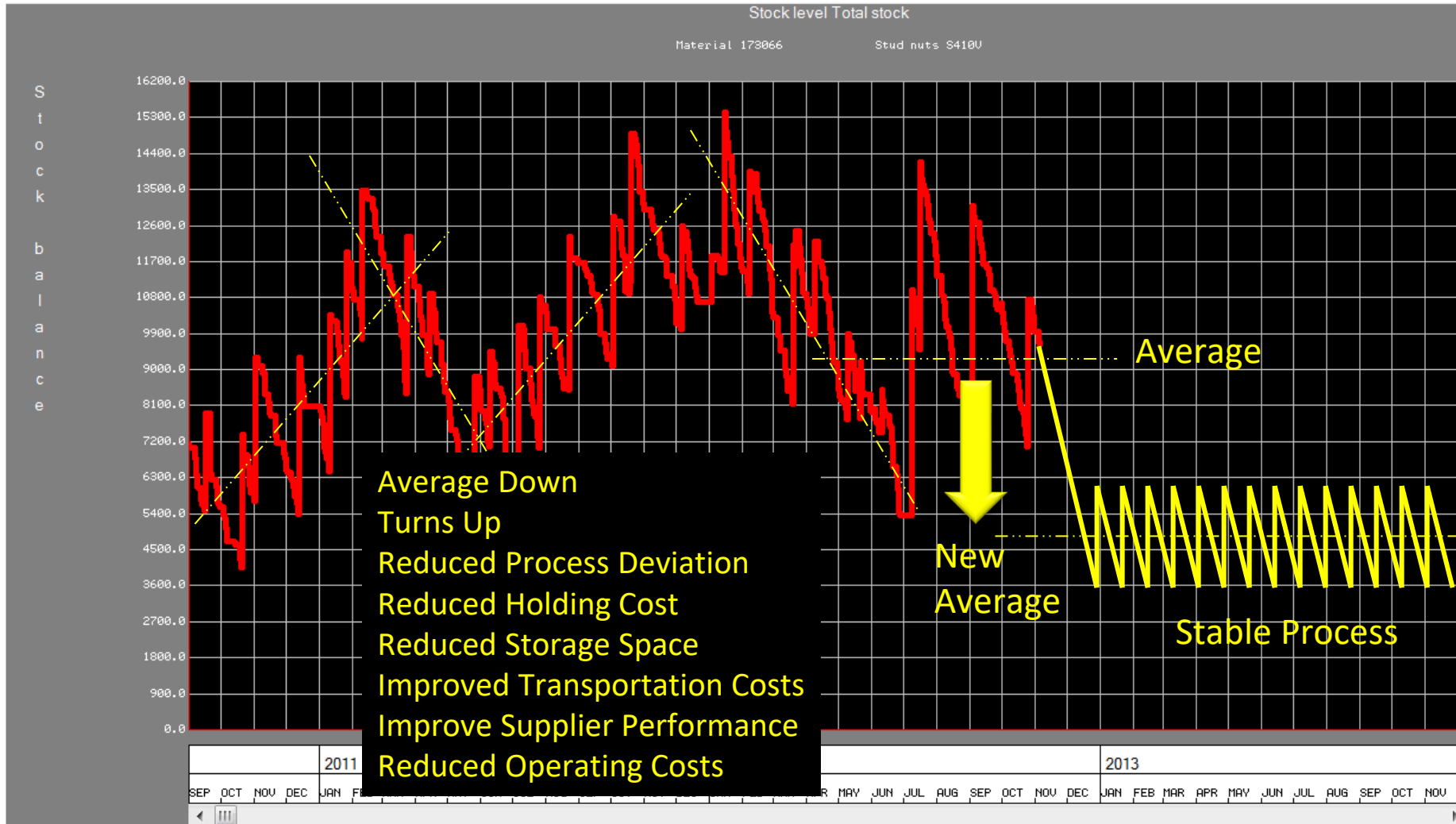


Working with consumption history



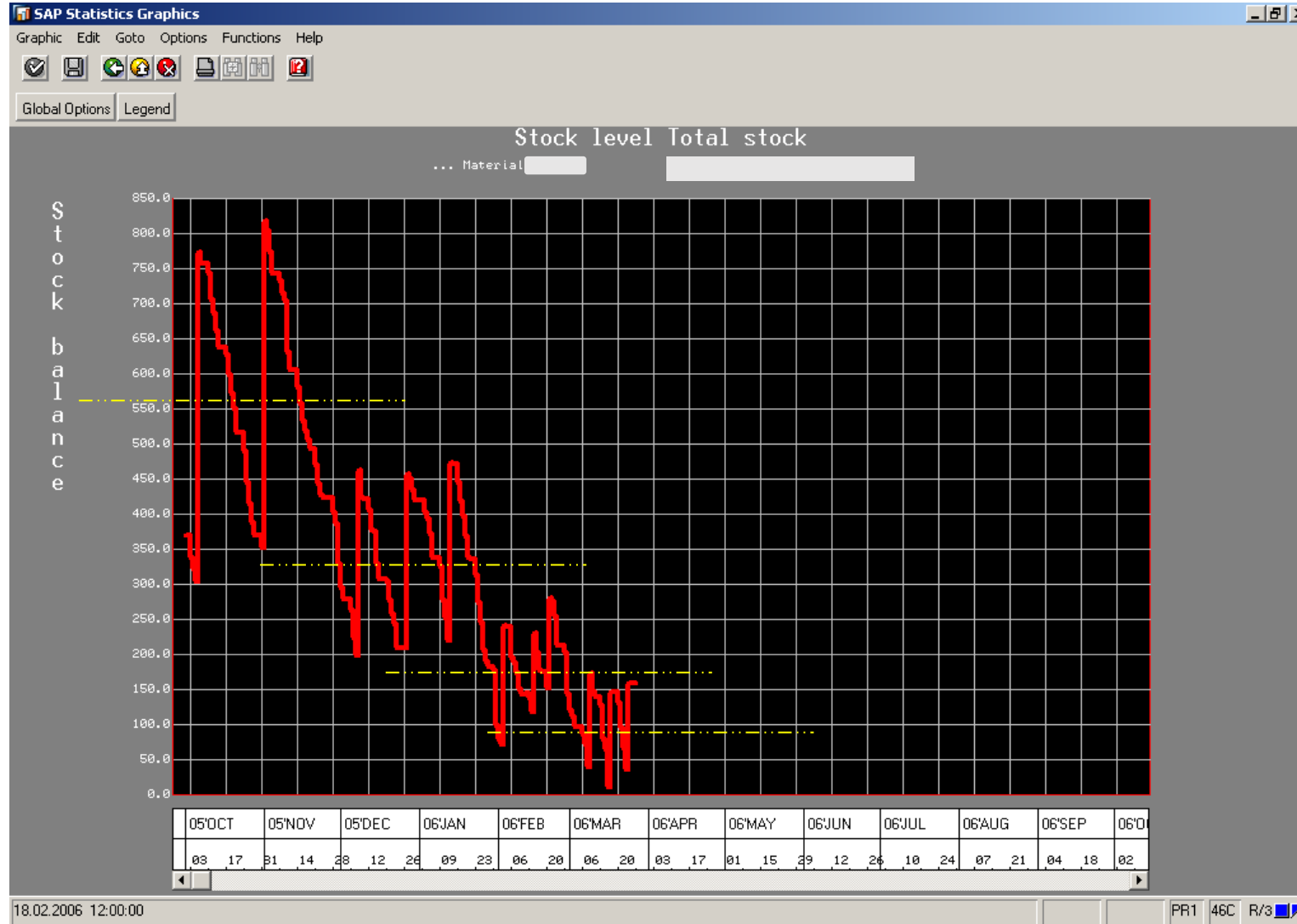


Optimization objectives





Watch the costs come down



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Governance across the Supply Chain

Standard analysis for info structure S700: Basic List

No. of Date: 9

Date	Red lights	Exc. total	Ovd.Demand	Ovd.Sply	Current inv. value	Mean inventory value	Dead inventory value	Slow moving value	Inventory turns	7 / 10	7 / 15	7 / 20	7 / 30
Total	44,796	447,835	194,257	40,739	7,552,019,185.49 ZAR	7,631,639,902.13 ZAR	3,399,392,693.69 ZAR	912,281,658.96 ZAR	1.52	42,081	35,016	42,202	85,148
15.01.2016	4,531	38,348	20,954	4,066	862,261,272.34 ZAR	864,688,389.71 ZAR	403,114,759.20 ZAR	118,597,847.97 ZAR	1.51	4,309	4,149	5,369	8,364
05.02.2016	7,557	54,150	37,840	4,592	827,461,733.79 ZAR	857,902,373.46 ZAR	391,443,633.65 ZAR	124,264,564.79 ZAR	1.35	5,753	2,554	4,967	14,454
19.02.2016	4,804	49,201	21,190	4,944	821,688,262.57 ZAR	847,915,024.34 ZAR	374,771,643.28 ZAR	89,609,082.94 ZAR	1.61	5,009	3,661	4,991	9,346
26.02.2016	4,347	50,109	20,581	5,023	844,129,401.29 ZAR	846,220,058.90 ZAR	385,211,285.83 ZAR	100,818,815.93 ZAR	1.72	4,676	3,716	5,473	10,087
04.03.2016	5,859	47,995	23,892	4,855	859,484,789.43 ZAR	845,326,444.65 ZAR	381,710,269.52 ZAR	114,845,755.52 ZAR	1.33	4,419	4,558	4,800	8,513
11.03.2016	5,035	48,602	22,041	4,678	835,371,289.31 ZAR	844,610,193.81 ZAR	382,503,206.50 ZAR	104,629,244.86 ZAR	1.45	4,447	4,631	4,367	9,998
18.03.2016	4,259	47,492	19,065	4,160	831,819,607.15 ZAR	843,023,406.70 ZAR	369,715,692.42 ZAR	87,655,345.36 ZAR	1.57	4,713	4,041	4,190	8,524
25.03.2016	4,096	49,071	20,347	4,568	834,462,834.95 ZAR	841,748,119.38 ZAR	362,091,407.55 ZAR	80,890,353.17 ZAR	1.64	4,814	3,832	4,153	8,915
01.04.2016	4,578	62,867	8,339	3,845	835,139,994.66 ZAR	840,217,891.18 ZAR	348,830,785.74 ZAR	95,940,451.42 ZAR					



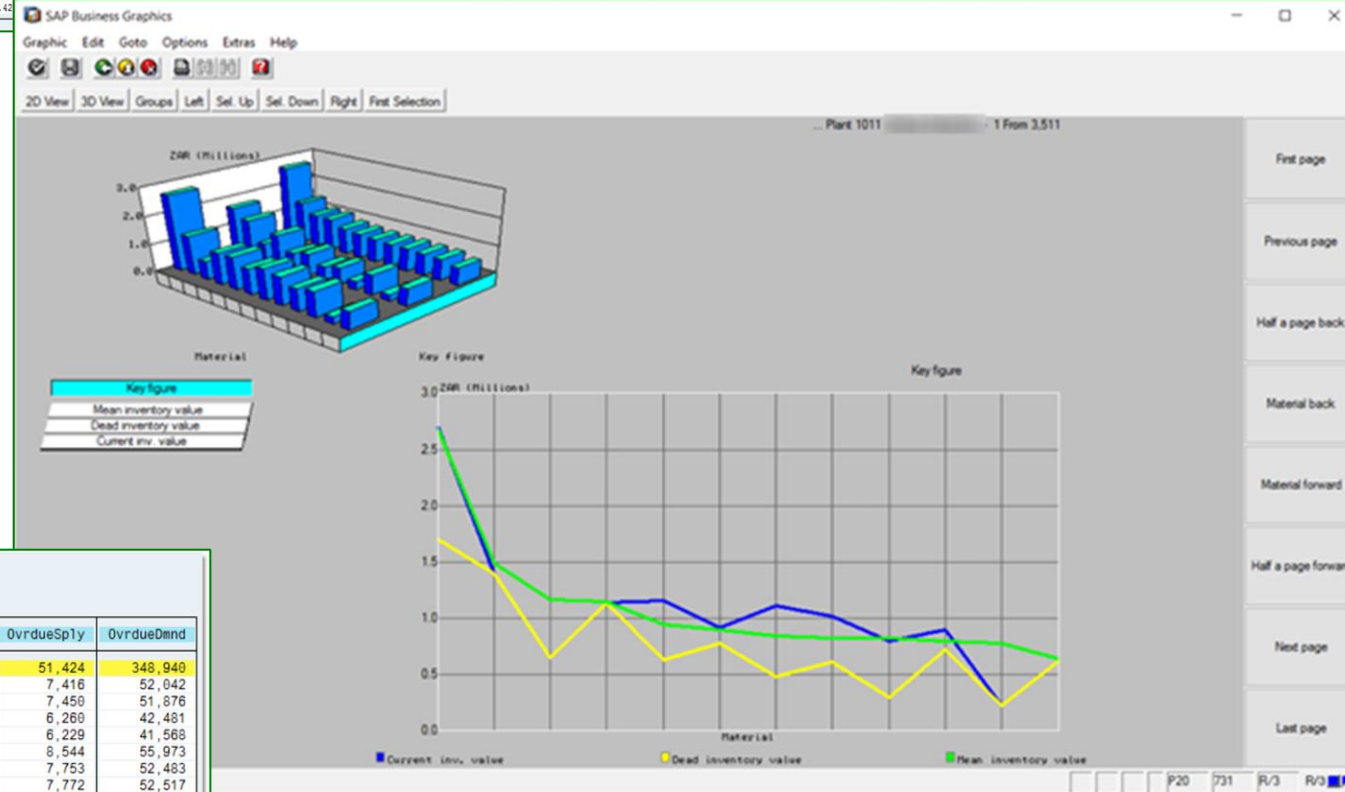
Supply Chain Integration Console

117 business value measures guaranteed to drive Change and Improvement

Plant

No. of Date: 7

Date	Materials	Red Lights	Exceptions	OvrDueSply	OvrDueDmd
Total	71,764	20,590	61,550	51,424	348,940
10/28/2011	10,252	2,635	8,564	7,416	52,042
10/29/2011	10,252	2,570	8,564	7,450	51,876
10/30/2011	10,252	2,570	8,564	6,260	42,481
10/31/2011	10,252	2,673	8,576	6,229	41,568
11/02/2011	10,252	3,376	9,073	8,544	55,973
11/03/2011	10,252	3,383	9,080	7,753	52,483
11/04/2011	10,252	3,383	9,129	7,772	52,517





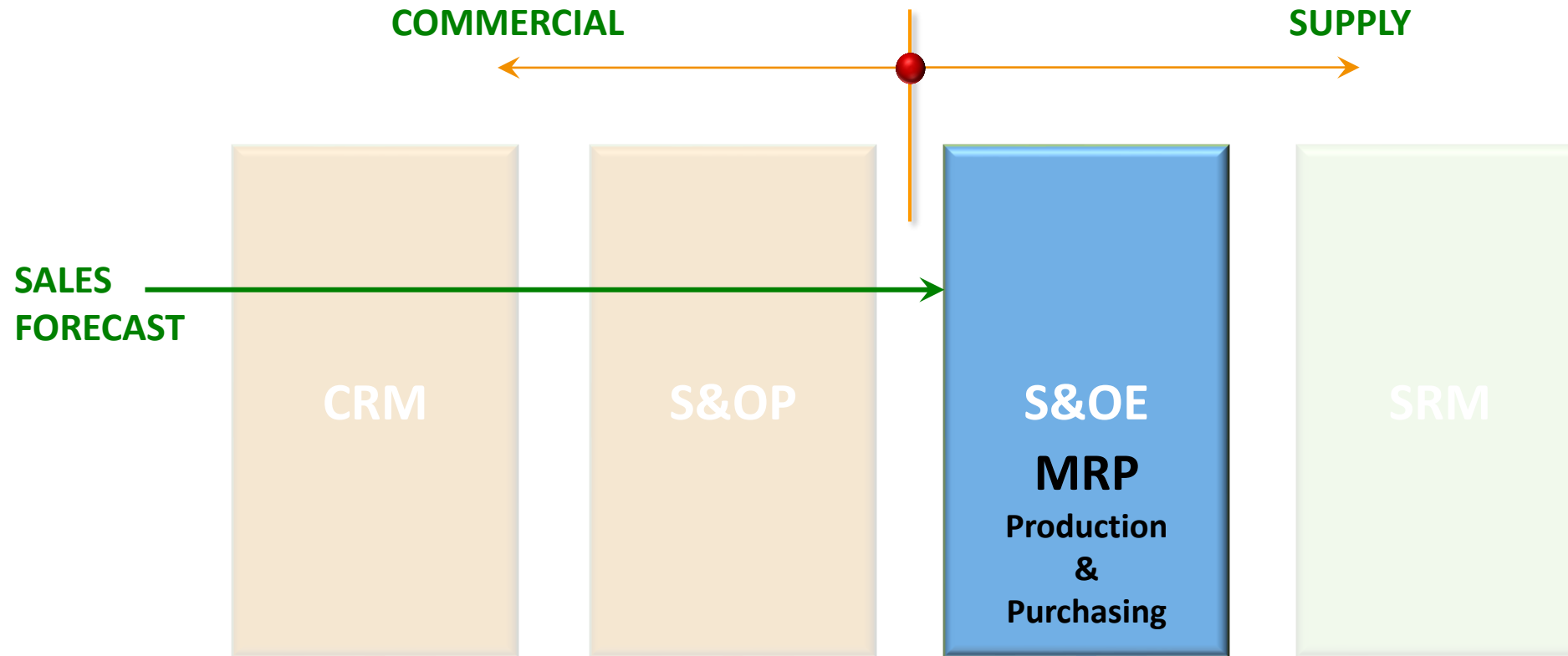
Focus on an Executive Dashboard



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10. Change management routines that ensure value

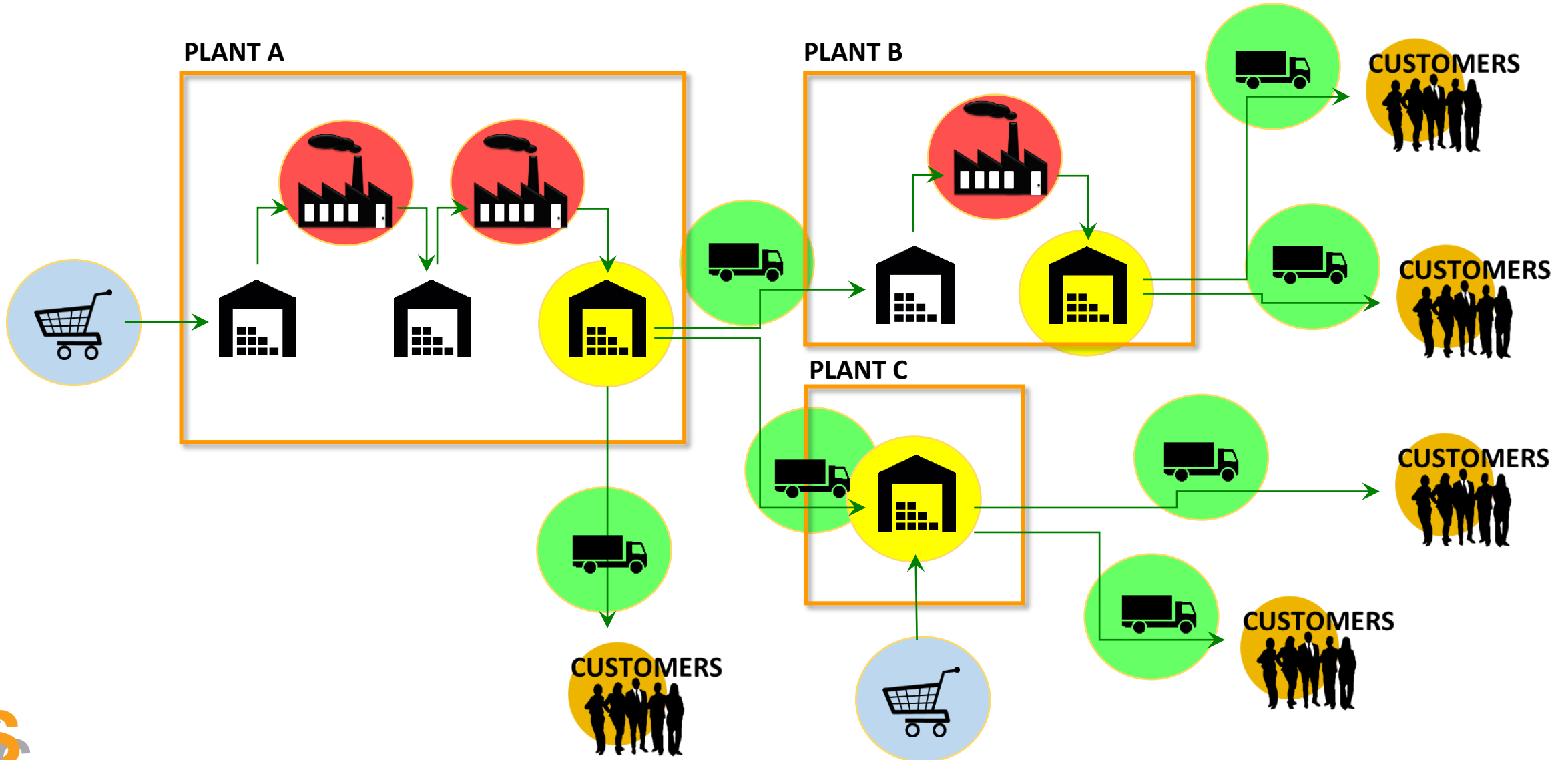


Strategic Modules in the Supply Chain





Forecast in Connected Supply Chain



1. End to End connected supply chain
2. Forecast/Demand plan - entry at POS (point of sale)
3. Data Grouping within inventory management
4. Aligned responsibility and accountability
5. Education and certification of planners and controllers
6. Daily Supply/Demand balancing routines
7. Setting business value KPI's (key performance indicators)
8. Global standards and governance to ensure sustainability
9. Strategic practices within a connected supply chain
10. Change management routines that ensure value



Education to Certification

Agree ownership and data performance requirements

Ongoing growth and Performance Accountability

Education



Business Ownership



KPI's and Projections

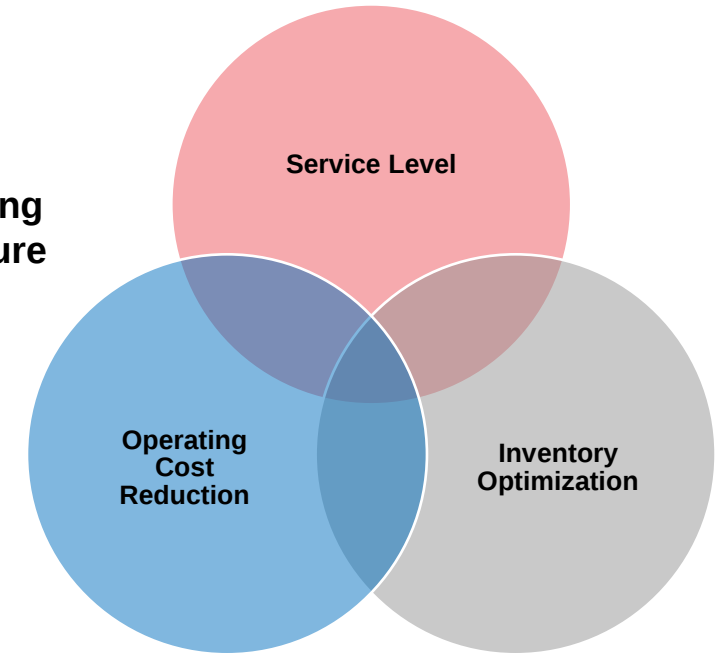


- Best Business Practice
- Functional Best Practice
- Integration
- Data Grouping
- MRP and Master Data
- Exception Management
- Inventory Analysis

- Planning & Execution
- Governance Structures
- User Certification
- Daily routines
- Exception Management
- Performance Presentation
- Present targets and performance

- Process Improvement
- Business Value Improvement
- User Onboarding
- Global Collaboration

Baseline Targets
Workshops
Presentations
KPI alignment
Management Reporting
Change Minded Culture
Continuous Improvement



Certification



Understanding the basics of integration management in the end-to-end supply chain

Fundamentals

Functional ownership of data, data quality, and aligned performance to data



Functional Specialist

Business value achievement and sustainability



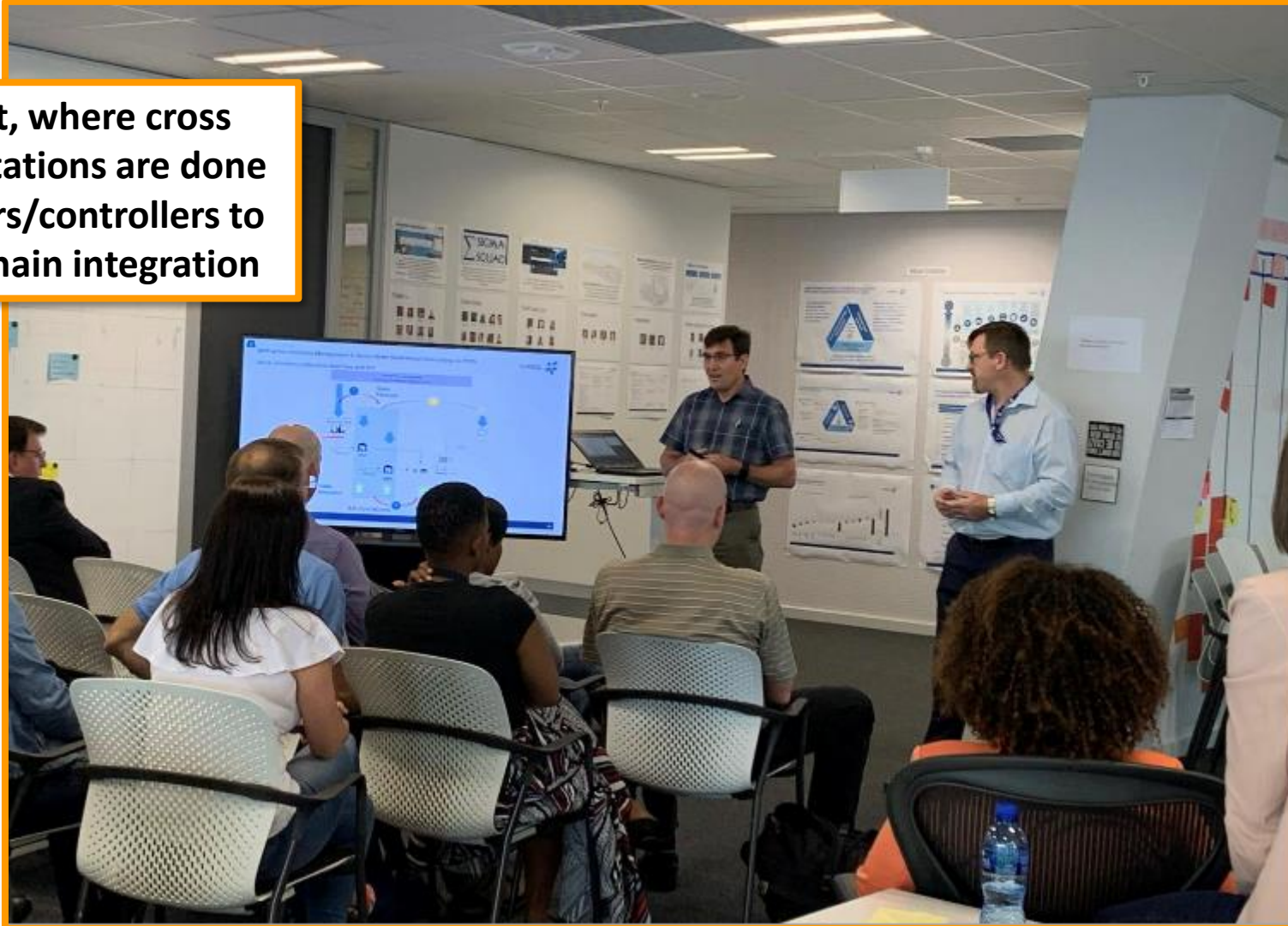
Business Specialist





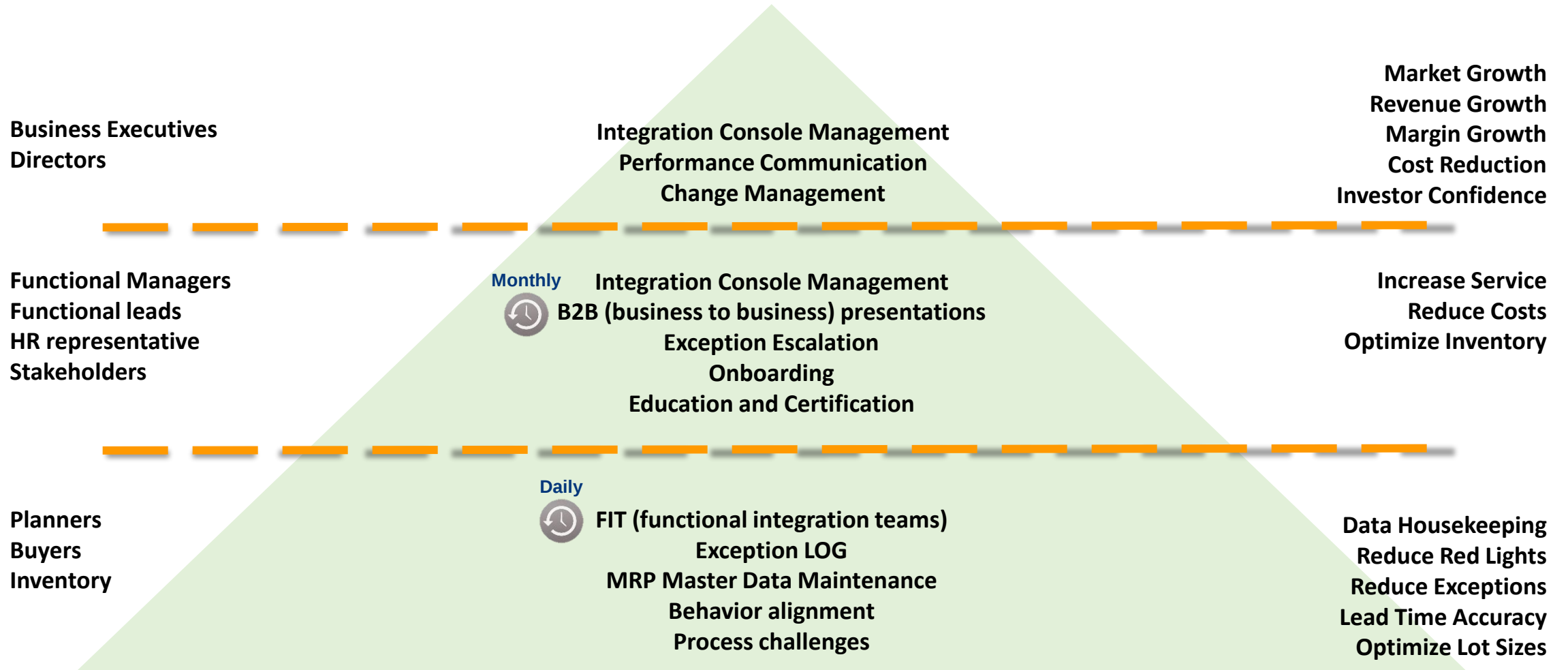
B2B - Business to Business presentation

A monthly event, where cross functional presentations are done by planners/buyers/controllers to enhance supply chain integration





Sustainable Governance Structure



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