

SAP IBP – Planning for the success you want to have

Dave Booker
IBP and Strategy Program Manager

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SAP Applications Manager

Ego Pharmaceuticals

About your presenters



Dave Booker
Strategy Program and IBP Manager
Ego Pharmaceuticals

- 1992 – 1999 SAP R2 Implementation and regional roll out. Worked on what was to become IS-Oil, archiving specialist, MM ABAP programmer, FI Account manager. Melbourne and New Zealand. Oil Industry
- 2000 – 2001 SAP R3 Implementation AsiaPac - FI Configuration. Oil Industry
- 2001 – 2017 Manugistics / JDA Demand and Fulfillment implementations and supply chain business processes. Oliver Wight IBP business process – Melbourne, UK, USA. Oil industry and Adult Beverage Industry
- 2018 – 2020 Supply Chain consulting and project management with IBM and Accenture – Telecommunications, Logistics, FMCG, Retail industries
- 2020 – now SAP IBP - Joined Ego Pharmaceuticals. Project Manager SAP IBP implementation and IBP Business process, and now managing Ego's strategy program.

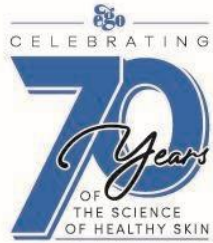


Carey Avil
SAP Applications Manager
Ego Pharmaceuticals

- SAP R3 – first project in 1995 – chemical manufacturing company in Melbourne
- 25+ years of SAP experience
- Many industries including life sciences, chemical manufacturing, automotive component supply, FMCG and other Victorian manufacturing companies, mainly with Small to Medium Enterprises specialising in Supply Chain end to end business processes.
- Small project teams, did our own security before the profile generator, business process focus
- Ego implemented SAP ECC in 2010.
- Started at Ego in October 2012 – supply chain end to end process continuous improvement including forecasting processes. Challenge to improve efficiency of processes and reduce manual effort.
- Part of team to select IBP software considering Ego process maturity in this space was level 1-2. We needed software to introduce and support processes but enable Ego to grow as process maturity grew.

About Ego Pharmaceuticals

IBP – Aligning for Growth



AUSTRALIAN MADE & OWNED



circa 1960



IBP – Aligning for Growth

Demand Planning



Objectives of IBP Project

IBP – Aligning for Growth

Replace spreadsheet reliance

- Reduce risk in process reliant on spreadsheets
- Reduce time consuming to spreadsheet management and move to value add
- Reduce master data issues, accuracy of updates

Increase visibility

- Enable plan review / quality checks before publish to production
- Enable accurate reporting on demand plans, demand changes, forecast accuracy
- Improve clarity, communication and buy in on demand plans

One source of the truth

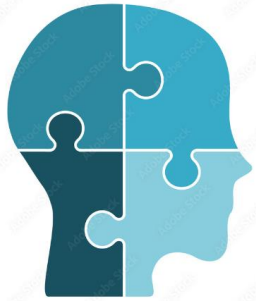
- Remove ambiguity on numbers
- Enable visibility to begin IBP process

Plan for success we want to have

- Enable scalability as Ego grows
- Integrate with existing ECC system

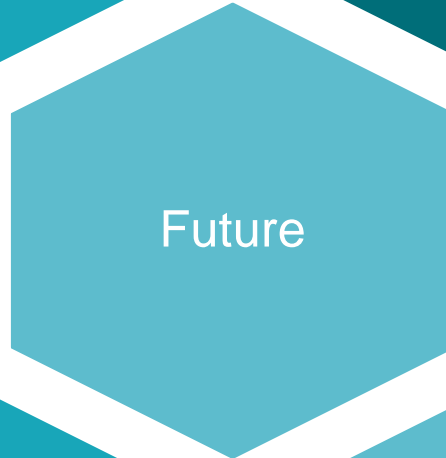
Why SAP?

IBP – Aligning for Growth



Master Data from ECC
Forecast data to BPC and BI Platform
In Market data from additional sources
(e.g. salesforce)

S/4 Hana migration provides closer
coupling with PP/DS and Response
and Supply and opportunities for
process improvement



Visibility of future functionality
roadmap
Engagement with other IBP customers
Quarterly Update process supporting
process improvement



Why SAP?

Statistical Forecasting Preparation and Execution



Ease of
requirement
gathering

Use of SAP Best practice
streamlined our 13x3 hour video
requirements sessions over
zoom during COVID lockdown

SAP Solution Architect provided
IBP recommendations and
allowed for robust project plan
and solution implemented

SAP
Expertise

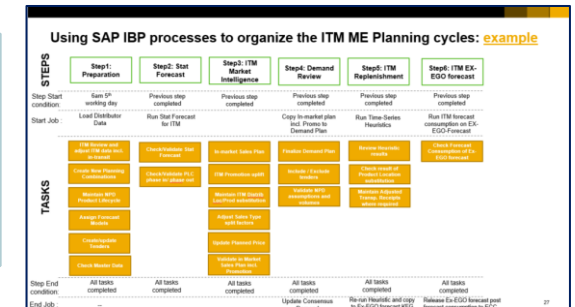
Location Supply planning related EGO Decision points

- Planning View Design validation:
 - Transport View
 - Inventory View
- Business rules for:
 - Transportation Lead Time
 - Minimum transport lot size and transport lot size rounding value
 - Subnetwork segmentation (planning unit)
 - Frozen Horizon
 - Lot Size procedure

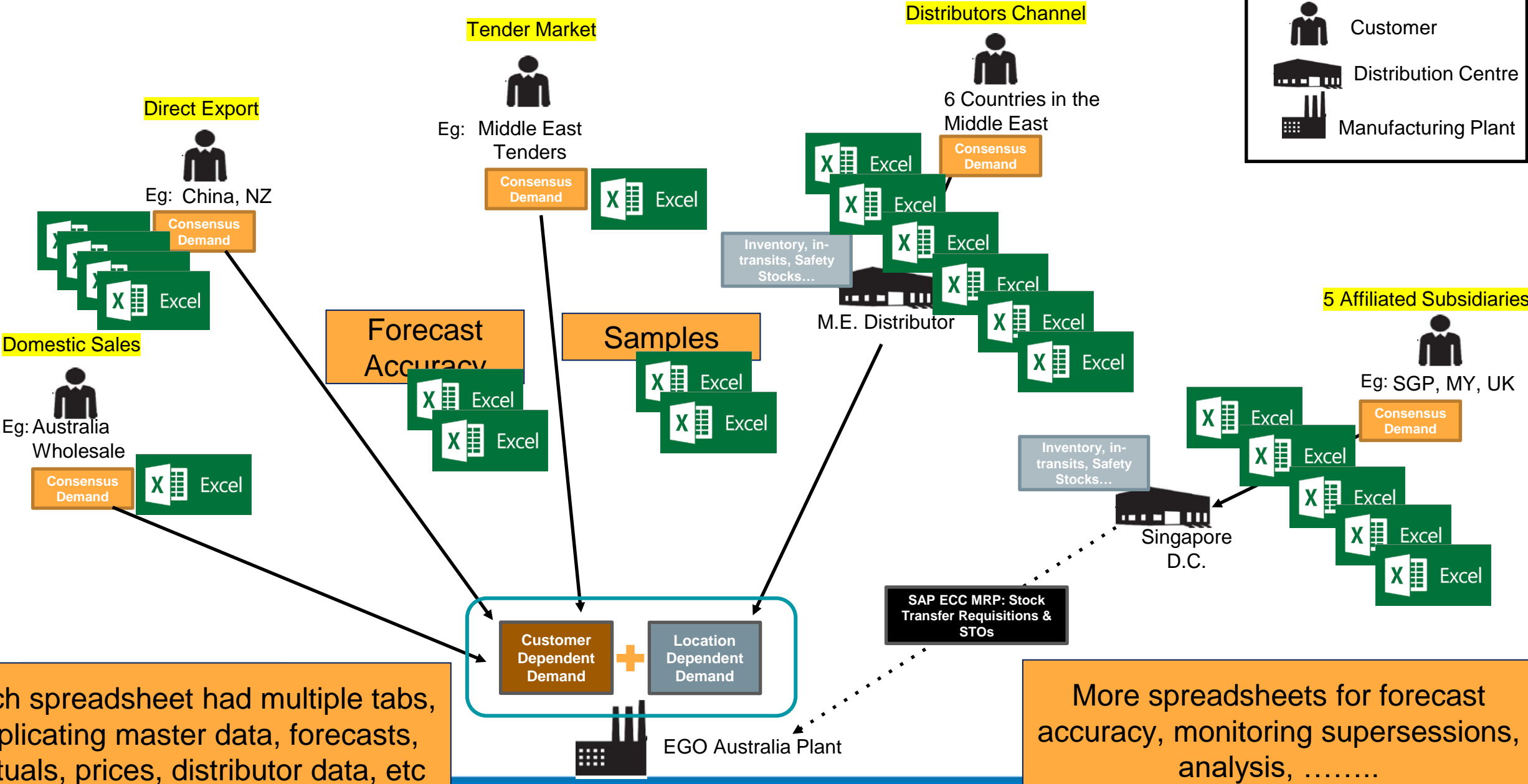
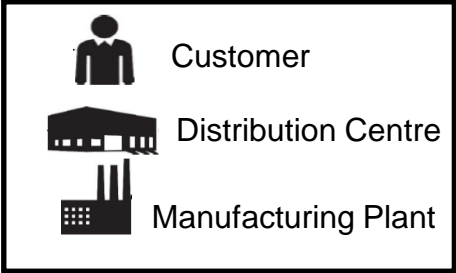


Flexibility

Allowed for in-house
customisations for key figures
and processes where SAP best
practice didn't fit

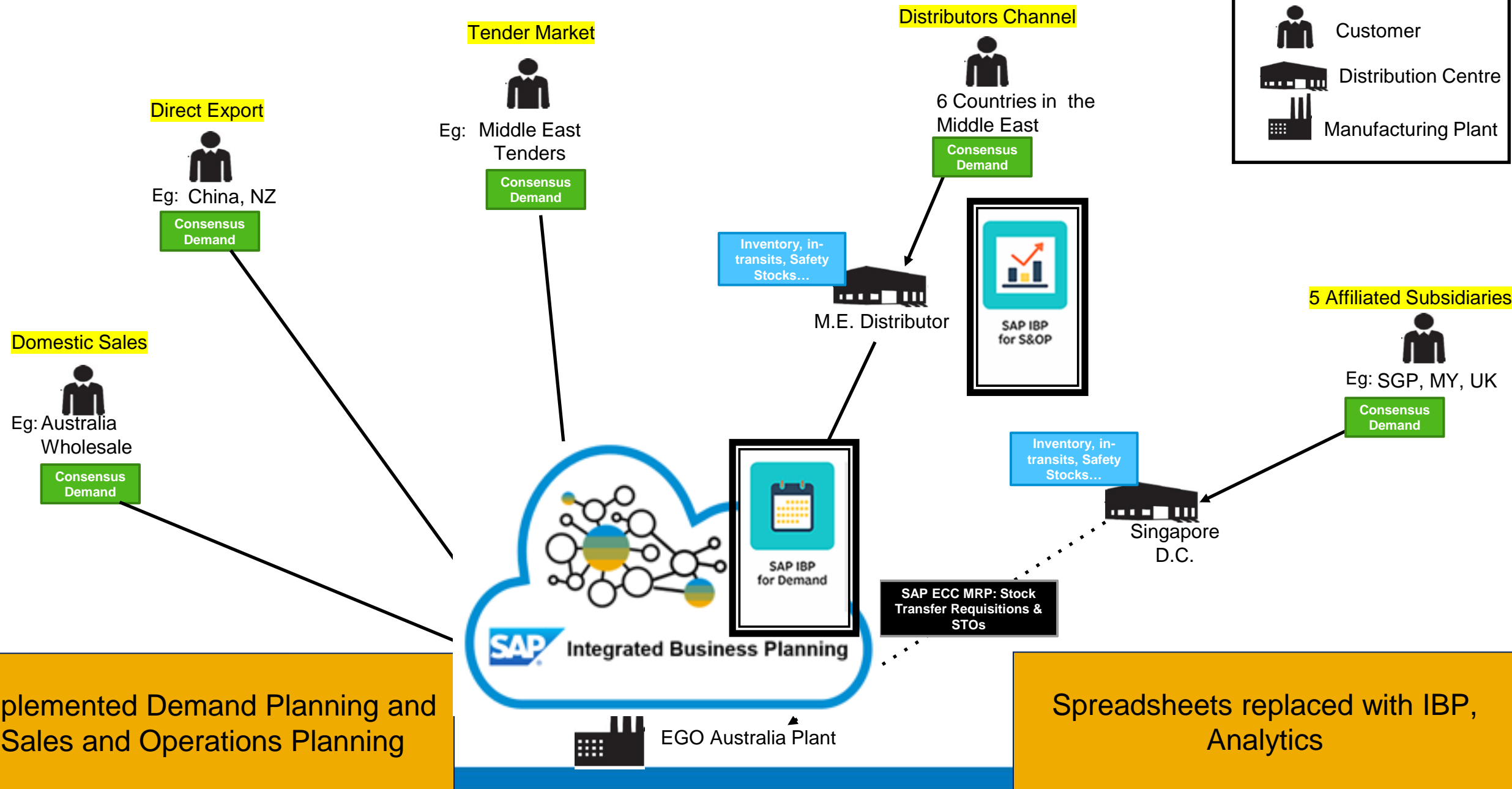


Demand Forecasting – the old way



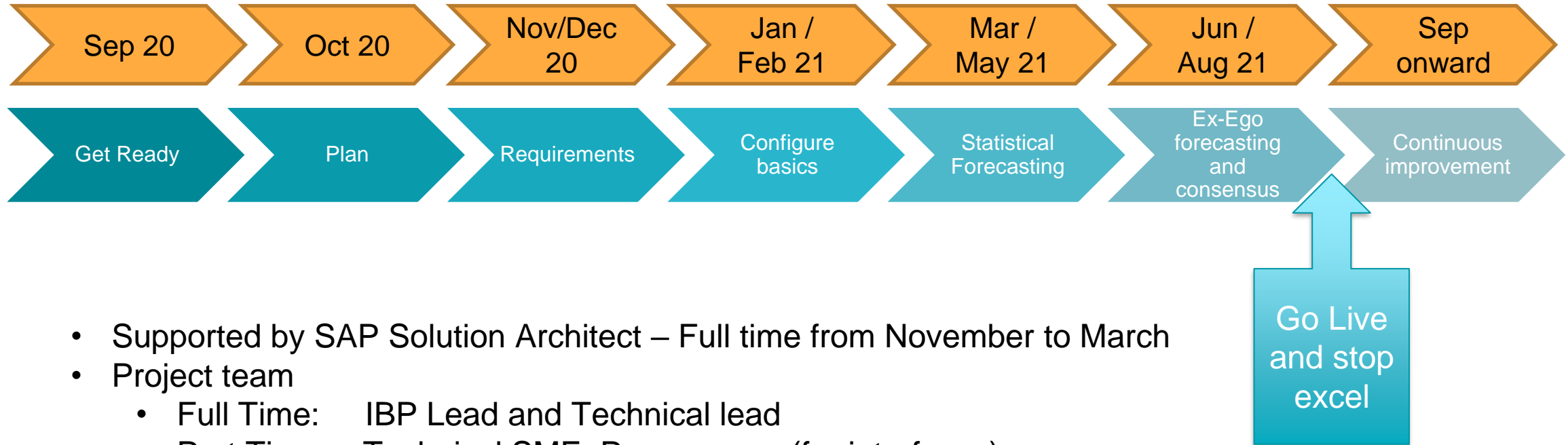
Simplified, centralized, robust and VISIBLE

IBP – Aligning for Growth



Planned implementation timeline

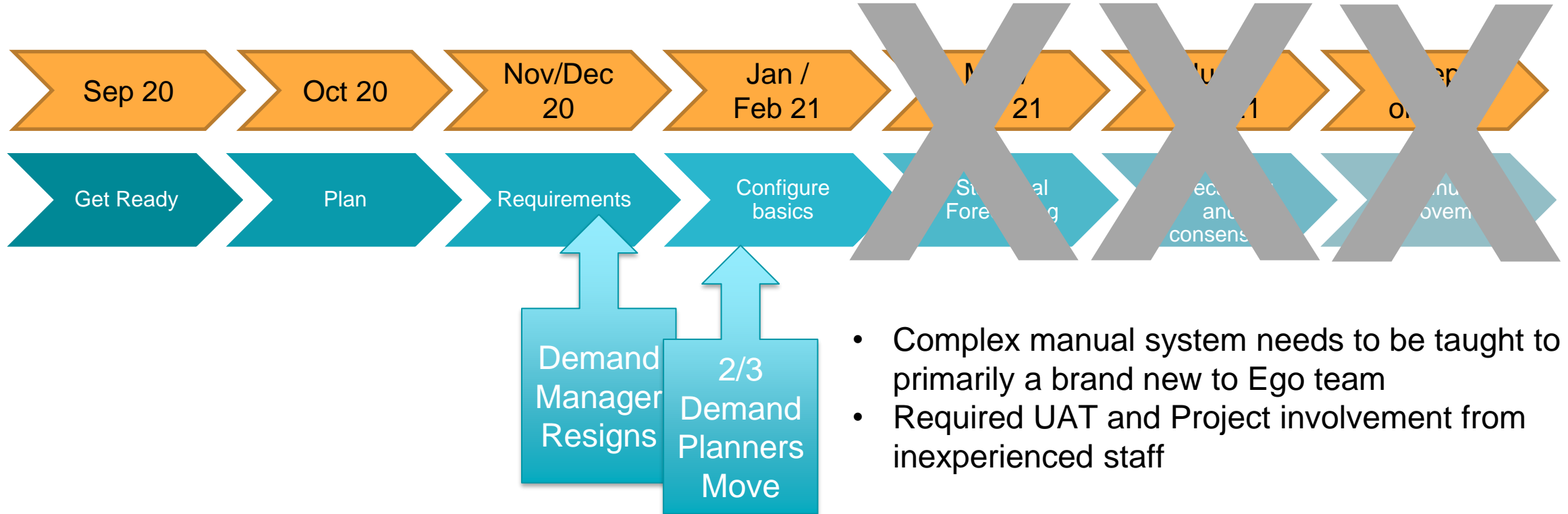
IBP – Aligning for Growth

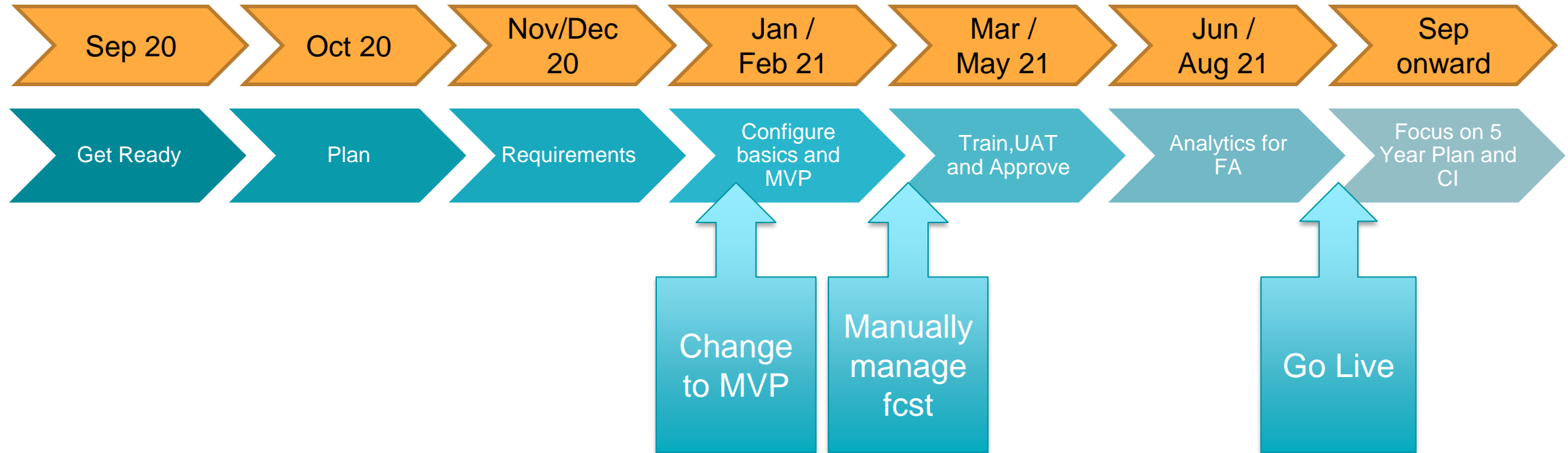


- Supported by SAP Solution Architect – Full time from November to March
- Project team
 - Full Time: IBP Lead and Technical lead
 - Part Time: Technical SME, Programmer (for interfaces)
 - As required: Basis and Security support
- Extended timeline taking into account smaller implementation team
- Solution Architect based in NZ
- All 13 x 3 hour requirements sessions held over zoom during lockdowns

Planned implementation timeline

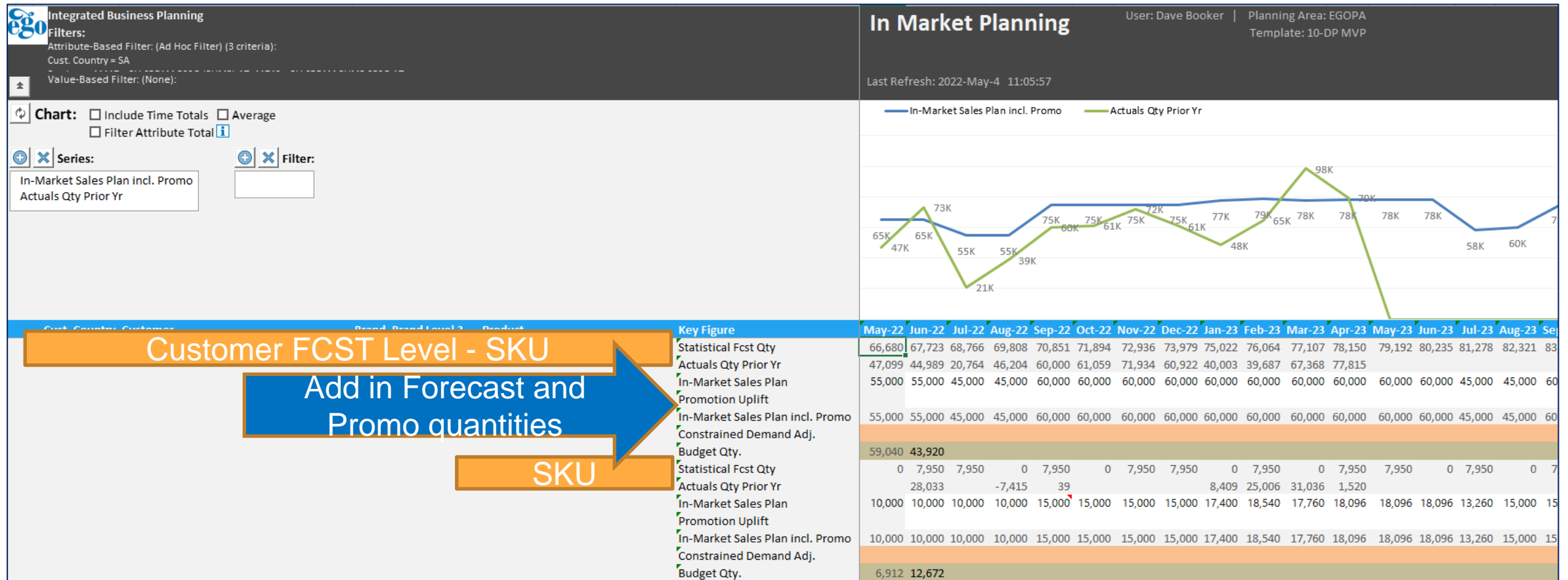
IBP – Aligning for Growth





- Go live brought forward 3 months
- Implemented an Minimal Viable Product (MVP) to just capture demand and publish to ECC
- Decommissioned spreadsheets almost immediately
- Analytics followed soon after
- Continuous improvement methodology to then bring in other value-add elements

What did we implement?



“Standard” forecast input screen

Example of Continuous Improvement

Request from owners:

- How can we see the impact of our strategic plan over the next 5 years on our production facilities and warehouse?
- When do we need to install extra capacity for production and warehouse to best utilise our capital?

Solution: Utilising version capability and the S&OP module to take the forecasts for all regions and model it onto the production lines

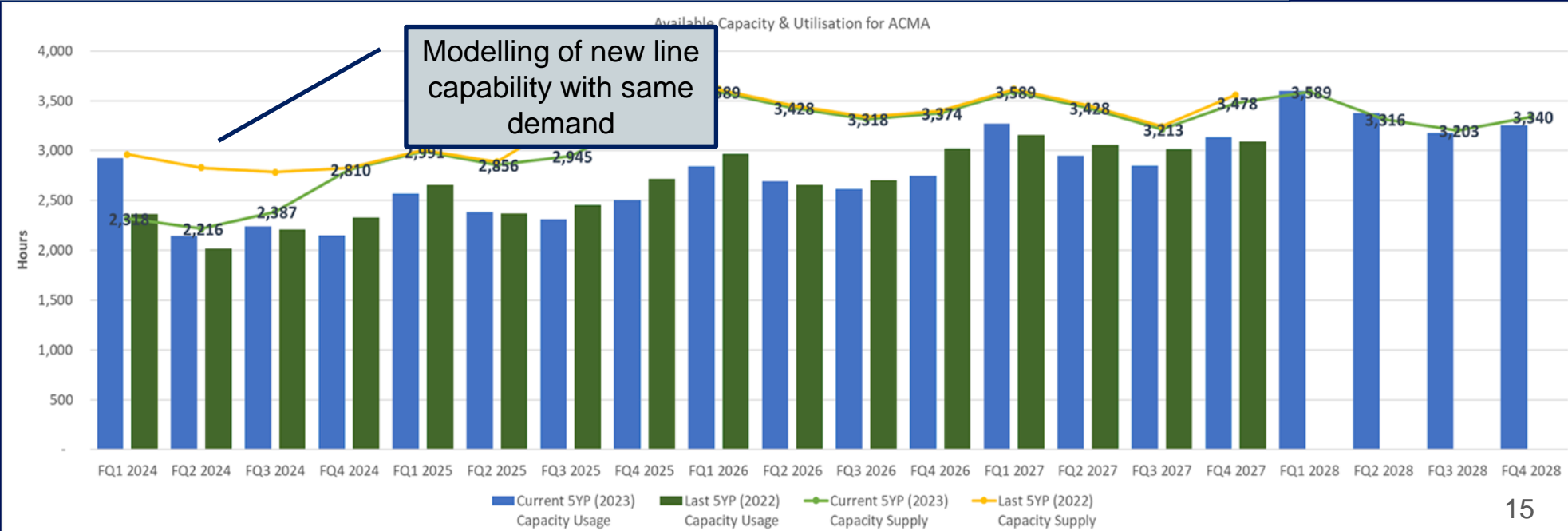
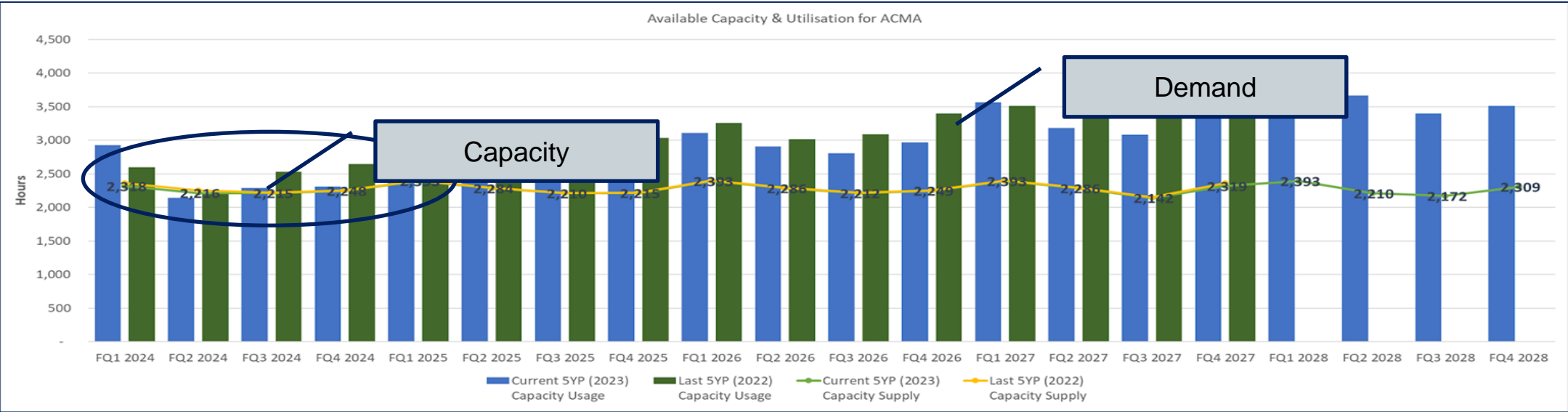
Using versions allows the use of different master data and configuration to enable modelling. SAP IBP needed to replicate our planning from ECC with the extended horizon

Analytics helped visualise the plan better than any tool we have had to date

Helped Sales and Operations to understand constraints on supply given their plans and outlook for the future



Line Capacity modelling (S&OP module and analytics)



Objective realisation and Benefits

Replace spreadsheet reliance

- Reduce risk in process reliant on spreadsheets ✓
- Reduce time consuming to spreadsheet management and move to value add ✓
- Reduce master data issues, accuracy of updates ✓

Increase visibility

- Enable plan review / quality checks before publish to production ✓
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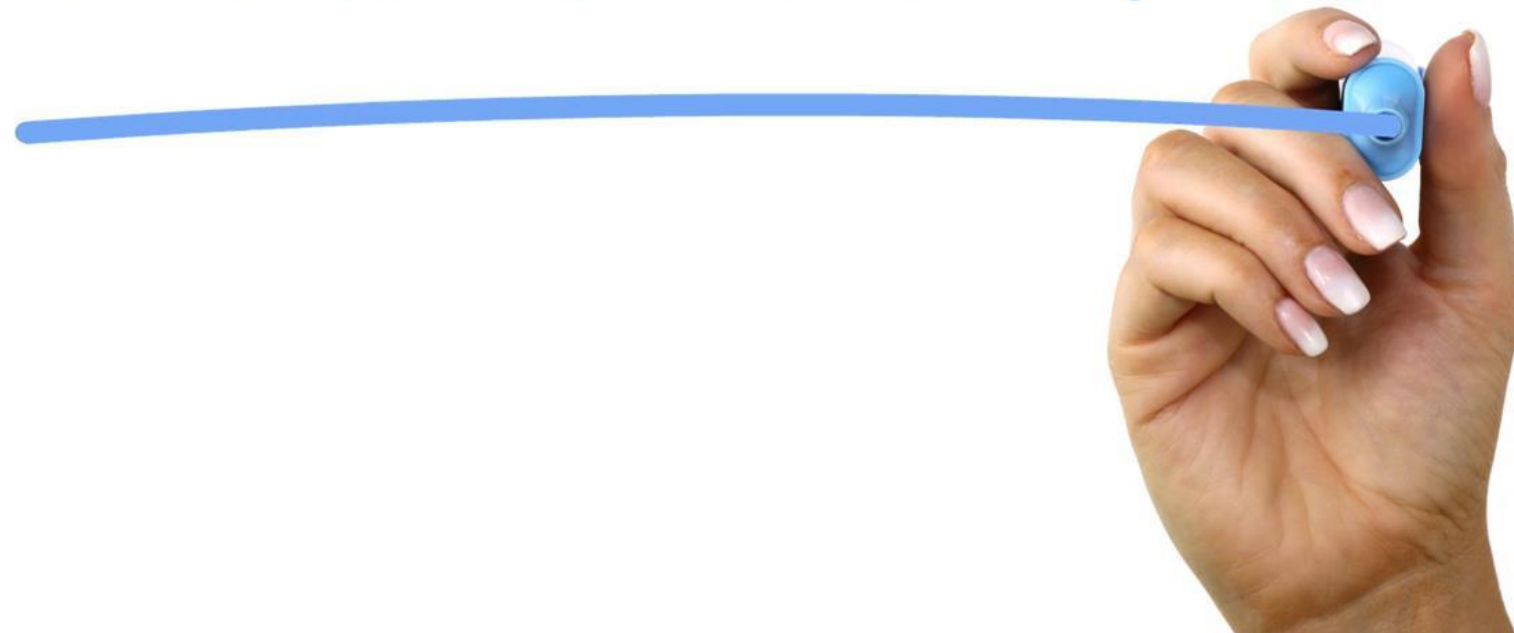
- Remove ambiguity on numbers ✓
- Enable visibility to begin IBP process ✓

Plan for success we want to have

- Enable scalability as Ego grows ✓
- Integrate with existing ECC system ✓
- Primarily supportable with internal resources ✓

- ✓ Removed 25+ spreadsheets immediately
- ✓ Monthly updates to ECC down from 2 days to less than a minute
- ✓ IBP to ECC interfaces provide accurate data
- ✓ Demand reviews, Market Reviews and Management Business reviews approve forecast before publication
- ✓ Analytics and SAC provide easy to view reporting
- ✓ Interface to BW / BPC for consistency of data for all of business
- ✓ One agreed, approved, demand forecast
- ✓ Forecast Accuracy / Bias reports automatic and run on day 2. Improved Accuracy and Bias Metrics
- ✓ Increased engagement with planners
- ✓ Compatible with SAP S/4 Hana – PP-DS and Response and Supply are on our roadmap
- ✓ Supported by small internal team for technical updates and business process changes / updates

QUESTIONS



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How to Connect with Us

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