Take the Road to a Real-Time Supply Chain

Panel Discussion: SAPPHIRE NOW
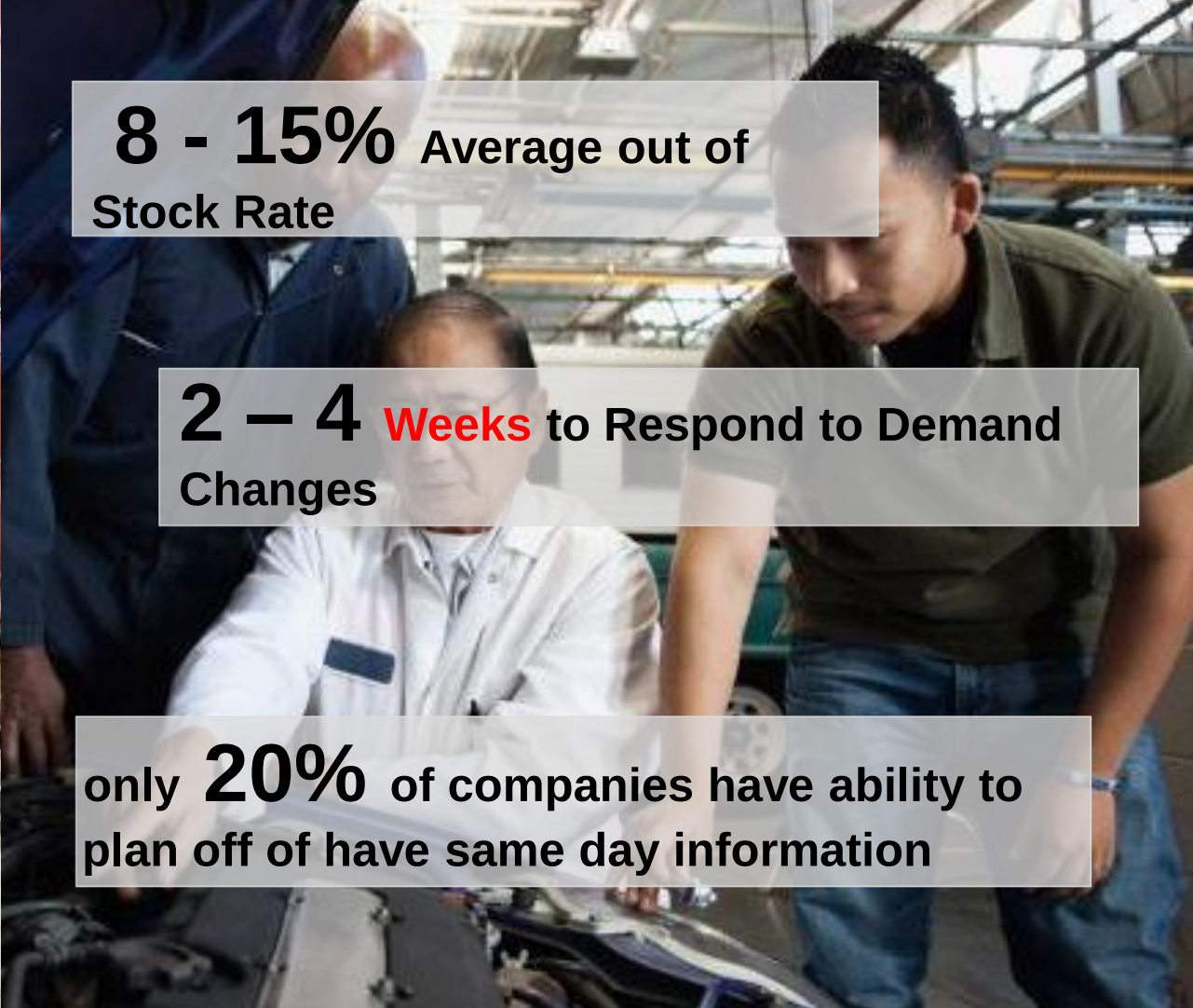
Not **Understanding** what your **Customer Wants** can have major consequences

75% of all New Products Fail

-15% Average ROI from Trade Programs

12% higher fulfillment lead-times

8 - 15% Average out of Stock Rate
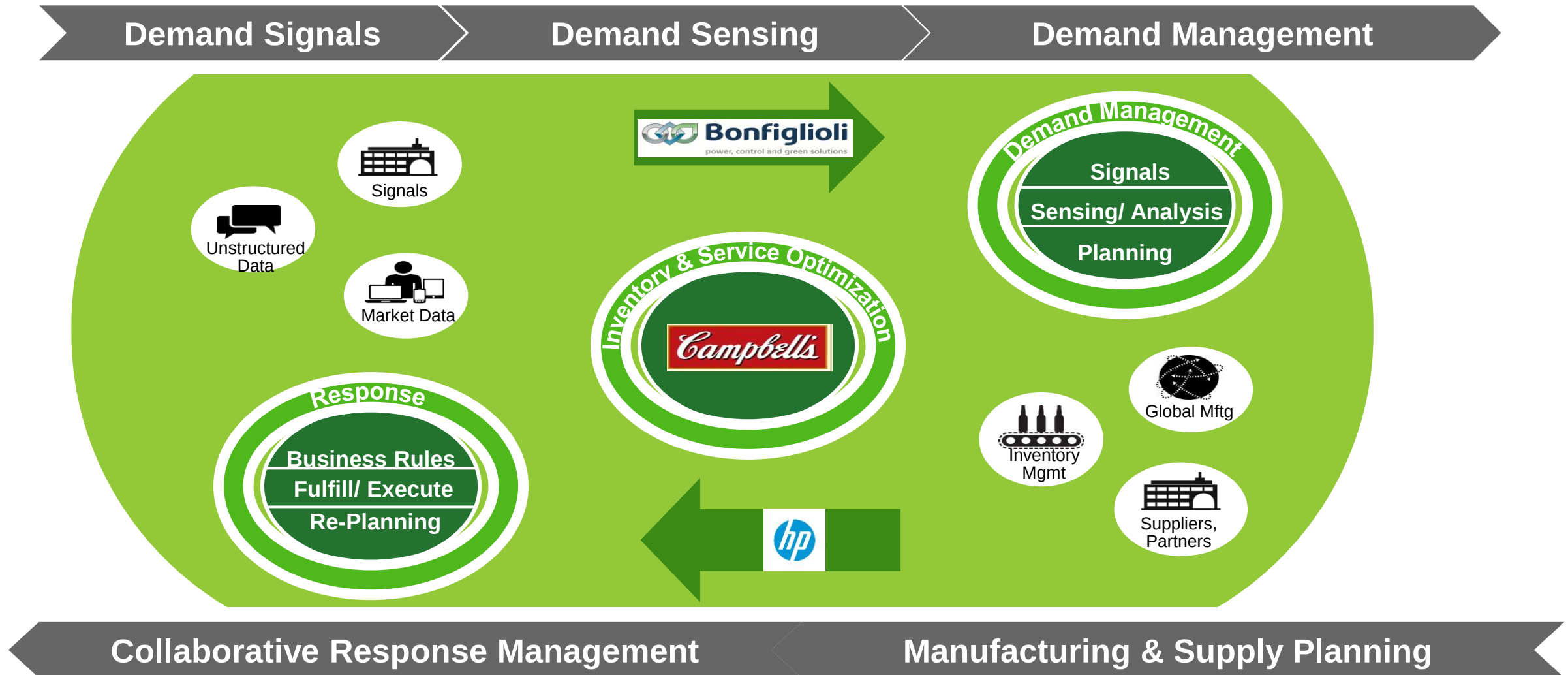
2 – 4 **Weeks** to Respond to Demand Changes

only **20%** of companies have ability to plan off of have same day information

Picture of a Real Time Supply Chain
Sense, analyze and respond to demand, orchestrate global supply

Demand Signals | Demand Sensing | Demand Management

Bonfiglioli — power, control and green solutions

Signals

Unstructured Data

Market Data

Demand Management
Signals
Sensing/ Analysis
Planning

Inventory & Service Optimization
Campbells

Global Mftg

Inventory Mgmt

Suppliers, Partners

Response
Business Rules
Fulfill/ Execute
Re-Planning

hp

Collaborative Response Management | Manufacturing & Supply Planning

Demand Management: Demand Capture and Integrated Planning Through Rapid Adoption Model

Bonfiglioli
power, control and green solutions

BU mobile & wind solutions

| Turnover : | € 624M |
| Personnel worldwide: | 3,287 |

Turnover:	**€342M**
Production plants:	**3 (+1)**
Subsidiaries:	**12**
Production:	**250 Kpcs**
Items:	**2,000**

"LOCAL for LOCAL" strategy:

Produce close to the customer supplying the most suitable solution in a rapid and flexible way

All consolidated data refers to Y 2012

Solution highlights

- **Load and store massive volumes** of planning data (delivered, open orders, master plan…)
- Calculate planning KPI and alerts to improve master plan reliability (plan stability, forecast accuracy, MAPE, plant reactivity, variation coefficient, moving average…)
- Perform **ATP check against product allocation** (location + customer + product)
- Realize enhanced system **synchronization** (SAP ECC, SAP APO, SAP BusinessObjects BI platform)

Key Benefits

- **Reduced planning activities resources** (-68%)
- **Reduced planning and order errors** due to quota allocation (-100%)
- **Reduced process timing** to evaluate a demand plan modification (-50%)
- **One only system** for planning (from four: -75%)
- **Increased visibility** through an advanced information symmetry (plants and subsidiaries)
- **Readiness** of updated planning and statistical data
- Control on subsidiaries' **inventory planning**

Bonfiglioli path to planning excellence:

Design the new process	**Jul '11**
Start working with it	**Oct '11**
Implement SAP APO in the main BU plant	**May '12**
Design the template rollout road map	**May '13**
Roll out the global template on all BU plants	**2013**
Design a real supply network planning system	**2014**

Highlights:

SAP APO, DP and GATP, implemented in as little as 17 weeks

Centralized and standardized global template approach to other plants' rollout

SAP Quality Awards
Gold Winner 2012
Italy

Manufacturing and Supply: Elevating flexibility and alignment through Inventory Optimization

- **$8 billion portfolio highly focused in three core areas: simple meals, baked snacks, and healthy beverages.**

- **26+ worldwide brands**

- **20+ market-leading brands**

- **Operating in 120+ countries**

- **18,000+ employees worldwide**

Solution Highlights

- Campbells North America model includes over 7,000 item locations
- **Includes finished goods, intermediates, and raw materials**.
- Final design has **time phased safety stock** recommendations being loaded into APO.
- EIO's **scenario capability** will allow Campbells to target inventory levels with greater insight into the impact on service levels.

Key Benefits

- Provides a total supply chain view for **all items, at all stages**, for all planning periods.
- Captures **variability and risk** so you can hedge against them across the supply chain network
- Gives insight into drivers of supply chain performance and facilitates process improvement initiatives
- **Integrated model** keeps inventory plan in sync with operations throughout the supply chain network

Timeline

Project Kick-Off	**June 2011**
Prototype Model	**June – Nov 2011**
Data Pull & Review	
First Run (SGLT)	
Refresh and review prototype	
Integrated Model	**March 2012**
Blue Printing	
Interface Development/Testing	
Go Live APO - June 2012	
Integrated Model go-live	**Nov 2012**
• Inbound interfaces since	**Sept 2013**
• Expected Full Integration	**Jan 2014**
Stable Process	
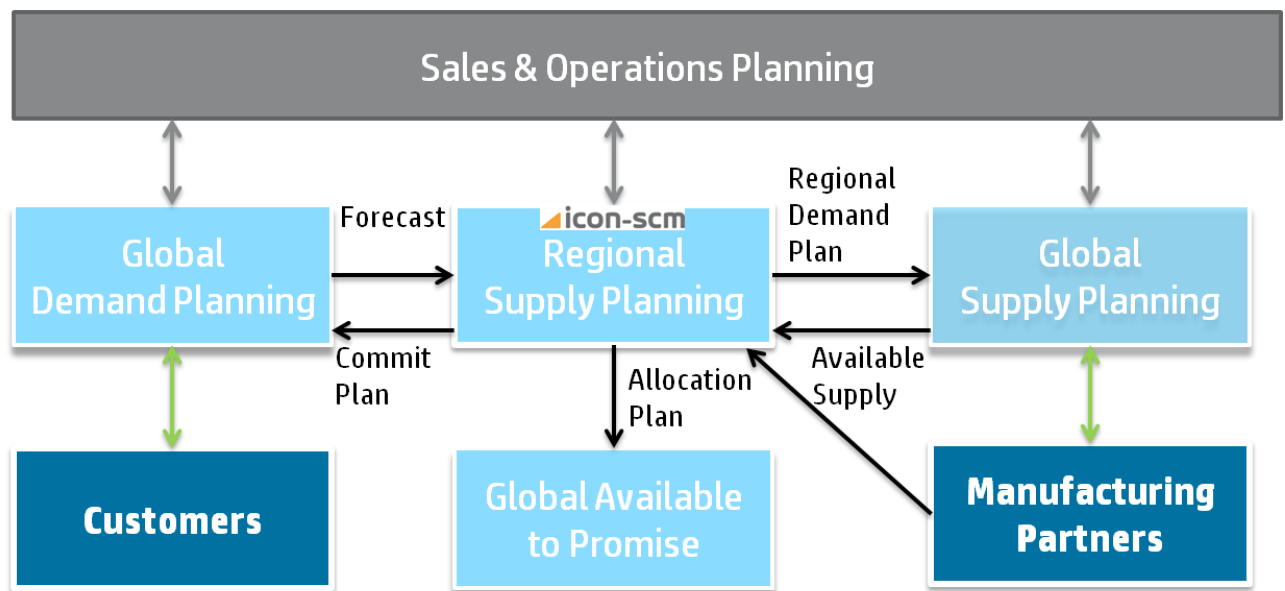
Highlights

Prototype offered quick view into opportunities

EIO outputs add real value in understanding the sources of inventory and how best to manage

Master Data management paramount to successful implementation

Collaborative Response Management: Quickly Adapt to Demand and Supply

Sales & Operations Planning

Global Demand Planning — Forecast → Regional Supply Planning (icon-scm) — Regional Demand Plan → Global Supply Planning

Commit Plan ← Regional Supply Planning ← Available Supply ← Global Supply Planning

Customers

Allocation Plan → Global Available to Promise

Manufacturing Partners

Solution Highlights	Key Benefits
Supply Chain Visibility	Consolidated visibility to critical components and impact to customers
Consolidated MRP	Plan critical component requirements
Supply Allocations	Re-plan allocations weekly to drive commitment to customers
Build Requests	Flexible model includes demand, priorities, rough-cut capacity, and critical supply
Customer Commit	Ability to ensure commitments to customers are kept
Customer Upsides	Respond quickly to increases in customer demand

HP PATH TO EXCELLENCE:

Implemented SAP Supply Chain Response Management by icon-scm

Standard business processes across the supply chain while optimizing for specific market needs

Worked with manufacturing partners to obtain most accurate data possible

Partnered with key Supply Chain software experts

HIGHLIGHTS:

SCRM implemented / rolled-out in as little as 6 months

Centralized and standardized global planning approach across regions

Take the Road to a Real-Time Supply Chain

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Mark David	**Vijay Guliam**	**James Melly**	**Simone Bonantini**

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