

SALES & OPERATIONS PLANNING



CASE HISTORY

The Client

The company is one of the world's largest designers, manufacturers and distributors of eyewear, headquartered in the USA and it specializes in premium fashion, lifestyle and performance brands.

The company employs more than 2,700 people worldwide in over 20 countries. Through an extensive global network of subsidiaries and distributors in more than 100 countries, the company makes its products accessible through a network of eye care professionals, optical stores and leading retailers.

Starting situation

In an uncertain and volatile competitive environment, Top Management has needed to increase flexibility with respect to the changing market demand.

In particular, shared project goals are:

- Decrease in manufacturing Lead Time and stock levels
- Improve in service levels: quality and On-Time-Delivery
- Decrease in products transformation costs by increasing Overall Equipment Efficiency of critical equipment
- Decrease in new product Time-to-Market
- Improve in vendor performances
- Boosting resources performances
- Implementing a new organizational model in the new ERP (SAP) system

The main identified issues are related to the planning process:

- The Budget/Forecast provided by the American headquarters was obsolete and lacking an organized review process
- Not suitable Software Asset Management in place
- Very long Lead Times on some supply chains and supplier reliability worsening quickly
- MRP not implemented
- Absence of a feasibility study on orders before release
- Sales and Operations Planning not formalized with the American headquarters (capacity constraints, load variations, degrees of flexibility, ...)
- Non-integration of activities managed off-system
- BOMs with excessive number of levels

Our support

The implementation of an integrated S&OP is one of the main activities carried out by Bonfiglioli Consulting Team to support the company in achieving its goals.

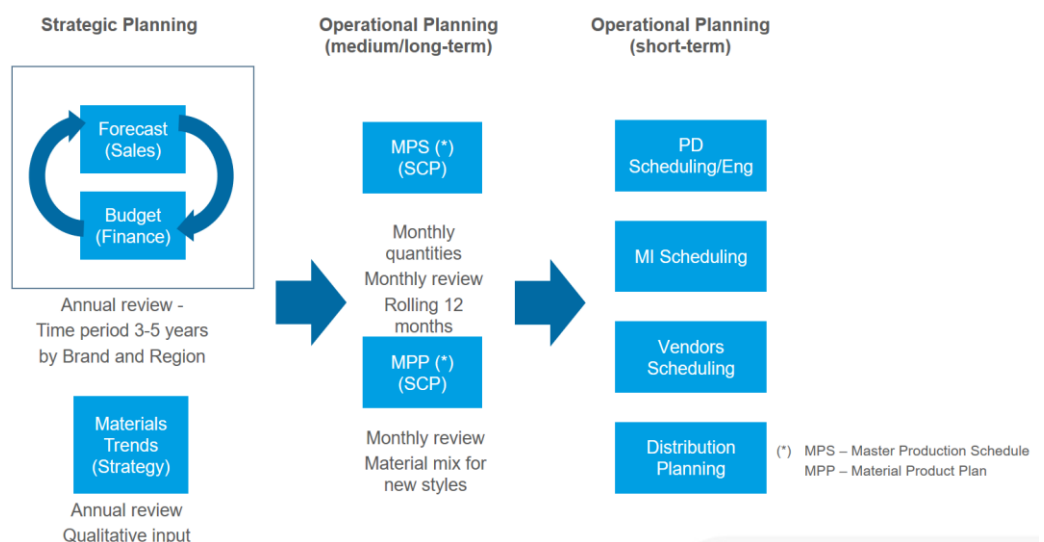
The S&OP key aspect is to share and formalize the constraints on one hand of production processes; and on the other of the service levels expected by customers. In addition it establishes coordination rules between various Commercial, Planning, Production and Logistics departments.

The goal of the S&OP approach is to streamline production planning based on demand variability while ensuring production efficiency.

The implementation of an integrated S&OP has ensured feasibility, stability and reliability of Company medium-long term production plans:

- Anticipating in MPS (Master Production Schedule) capacity requirements (Capacity Requirements Planning)
- Scheduling resources in advance over a one-year rolling timeframe
- Assigning the analysis and resolution of only the remaining critical issues to S&OP meetings

TO-BE MODEL

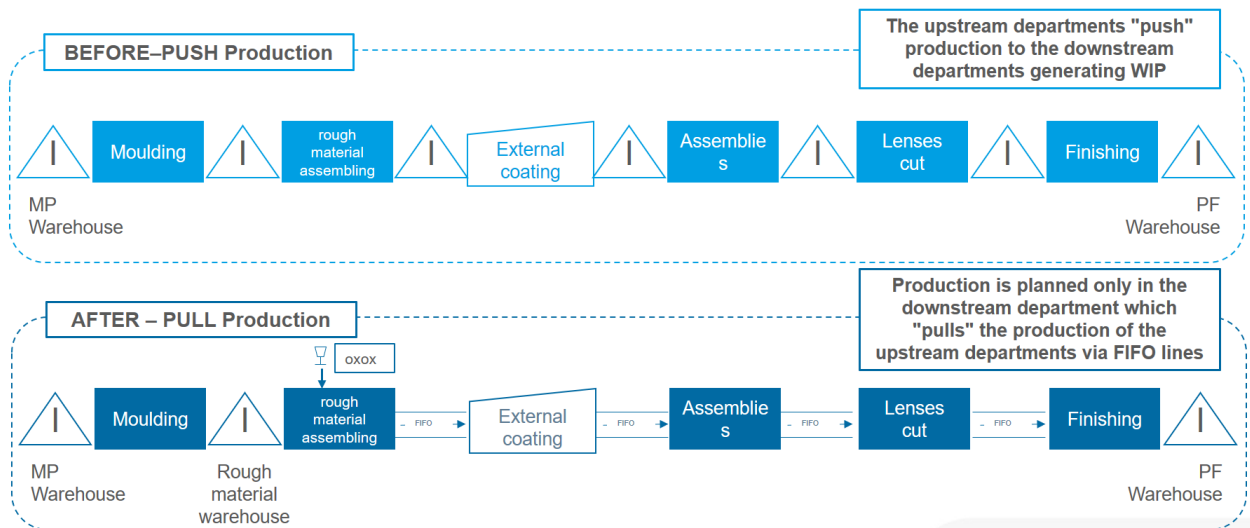


Value delivered

With the support of Bonfiglioli Consulting Team, the company has successfully implemented a process to develop, update and share integrated cross-functional Business Plans (Finance, Marketing, Sales, Product Development, Production, Procurement, Distribution - horizontal integration), sustainable along the entire value chain (Vendors, Production Plant, Distribution Centers and Customers - vertical integration) and in line with the company's strategy.

Lastly, a structured production data communication system based on real data for production volumes per product family (material/production type) has been defined, introducing meetings for comparison and feedback on performance.


CHANGE IN THE SUPPLY CHAIN/PRODUCTION MODEL





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Source: Knowledge Office Bonfiglioli Consulting

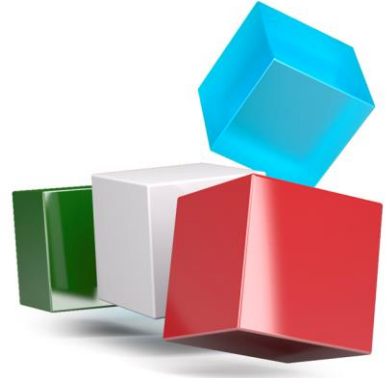
Goals achieved:

 - 57% Lead Time in manufacturing process

 + 33% space recovered

 - 21% quality costs

 - 15% for new product development Time-to-Market: with OTD
>75%





BONFIGLIOLI CONSULTING

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We support our clients in understanding the value they can deliver to their customers and in developing the operational models necessary to achieve their growth and revenue goals.

A systemic service offering to support our clients in making the changes and improvements necessary for their growth:

- Value Innovation
- Value Change Excellence
- Digitalization
- Change Management

Our offices in Italy and abroad and the partnership with Cordence Worldwide allow us to offer our customers an up-to-date and cutting-edge know-how.

With more than 100 consultants in 10 offices around the world, we have developed extensive and comprehensive experience in a wide range of industrial sectors, from industrial and consumer goods to services.

Thanks to our Lean Factory School®, Bonfiglioli Consulting is the point of reference for continuous training to promote business culture. It is also an innovation center where to test Industry 4.0 technologies and develop new applications to support business processes.



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