



**After eight long years  
of system misuse  
and neglect, a pending  
merger at a division of this  
Global 500 food company  
enabled new managers  
to improve inventory/  
replenishment planning  
and data integrity,  
despite user resistance.  
Plan4Demand led the way.**

**SS061:**  
Protein Manufacturer

## GETTING BACK ON TRACK

At Plan4Demand, our supply chain professionals take a unique approach to helping clients improve operational efficiency, decrease costs, and increase profitability. We call it **people — process — technology**; it means we don't even **think** about implementing or upgrading software until we first understand the people- and process-related issues impacting a company's supply chain and its profits. **Here's why:**

Though implemented eight years ago to calculate nightly supply planning requirements, both the inventory planning and replenishment planning packages at this world-leading food manufacturer were essentially crippled from the outset due to reluctance of long-time users to adopt the systems.

With an average length of service around 17 years, **old-school employees literally worked outside the system, using a legacy green-screen application to generate replenishment requirements** rather than relying on their new Logility software to work more efficiently and cost-effectively. Even employees who tried to use the new systems were skeptical of the output they provided. But with a revolving-door management problem (highlighted by four different supply chain vice presidents in as many years), scarcely anyone paid attention to the problem until **a pending merger brought new managers, a mandate for change, and Plan4Demand.**

### PEOPLE...

Armed with a firm appreciation of both the company "political landscape" and the user frustration level, the first step for Plan4Demand consultants was to develop a plan to establish faith in the Logility planning systems and **instill confidence among end users — to properly use their systems.**

**"None of this was a technology issue, and it wasn't a Logility problem,"** said Plan4Demand CEO Lisa M. Kustra. **"The systems were running exactly as the users were managing them. That was the problem."**

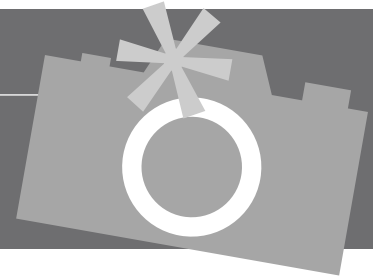
Plan4Demand preliminary system analysis and user interviews revealed that data fed into the Inventory Planning software was suspect. Of course, this meant that corresponding system-generated replenishment requirements were flawed. Not only had **garbage in/garbage out** degraded operational results, it had also eroded team confidence in the tools.

As P4D consultants set to work addressing the data quality issue, another "people problem" revealed itself in the form of excessive item-level system overrides. Senior planners offered up a range of reasons for using overrides, but the feedback was inconsistent, and demonstrated a lack of understanding about core capabilities of the systems, since configuration changes could've eliminated the need for overrides in the first place.

## Solution Snapshot

**Problem:** After years of misuse and neglect had left replenishment planning processes and data a shambles, a pending corporate merger finally triggered an urgent need for improvement.

**Solution:** By educating users, streamlining processes, and making fundamental system improvements, P4D consultants led the way to user acceptance and adoption of the Logility software.



Further analysis revealed a number of system customizations as well yet — not surprisingly — a lack of clarity among users as to why modifications were made in the first place. It was this revelation that exposed an ongoing practice of system training based merely on “oral tradition.”

One-on-one training can be quite effective in some settings, but relying on mental recall and verbal retelling to support a complex planning system can be disastrous, especially in a mismanaged environment. In this case, planners viewed their highly configurable tool as a mysterious black box.

To overcome these multiple issues, Plan4Demand professionals developed a plan to identify and train a core team of super users who would be responsible first for managing the systems and then training future users.

### PROCESS...

Once super users were trained in the fundamentals of system operation and management, Plan4Demand team members next engaged them in roundtable discussions about possible process improvements that could be made, based on the users' newfound insight into the long-idle capabilities of their software and their hands-on knowledge of day-to-day operations.

For example, when Plan4Demand consultants first arrived at the client site, there were more than 15,000 SKUs maintained within Inventory Planning. Once demand and supply planners within the company gained a more detailed understanding of their planning systems, however, subsequent review showed that **more than half of the SKUs — 8,200 — were out of date** or irrelevant. These were subsequently removed from the system.

Once the total number of SKUs were reduced, super users then configured Control Keys to enable groups of SKUs to be managed en masse. This enabled planners to manage factors like safety stock, order quantity, lead time, and network levels using the software rather than item-level overrides.

Our final process improvement was to help super users develop a training manual that outlined and justified in detail both the system configurations and the processes they supported. This reference document was designed to provide system support long after P4D consultants finished their work.

### TECHNOLOGY...

Finally, by eliminating more than half the SKUs in the database, both planning applications were able to complete nightly batch processing in 30% less time. This accelerated run time enabled planners on the East Coast to begin using the systems earlier in the day and spend more of their time working on plans for their company's nationwide distribution centers.

In the new planning environment, most of the old customizations supported by bolt-on applications were abandoned or rolled up to be handled by the core Logility applications. Once again, Plan4Demand educated **people** on ways to improve **process** and do it best using their **technology**.

**Plan4Demand** is a consulting services firm that helps Global 500 corporations and mid-market companies increase profitability and reduce operating costs by maximizing efficiencies across their supply chains.



#### People—Process—Technology

By first collaborating with your **people**, we jointly determine the best ways to optimize your **process** requirements. Only then do we move forward with the right **technology** to help you achieve your bottom-line goals.

**plan4demand**  
Global Supply Chain Specialists

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