

PLAN4DEMAND SUCCESS!



**“It takes more than
a successful go-live
to nurture rewarding
business relationships.”**

**—Lisa M. Kustra
CEO, Plan4Demand**

VALIDATING VMI VALUE

“I GET BY WITH A LITTLE HELP FROM MY FRIENDS.”

Founded in 1886, this \$1.6-billion manufacturer of residential and commercial building materials has grown over the past 100-plus years to become the North American leader in its market space by focusing relentlessly on one thing—its customers.

So, unlike business leaders at many organizations (who tend to **react** to external business drivers such as client mandates), senior managers with this corporation, acting on strategic insight from their frontline sales force, **proactively** seized the opportunity to jump-start a new business initiative—a formal Vendor Managed Inventory (VMI) program.

But first they called Plan4Demand.

ENSURE BUSINESS BENEFITS, THEN MOVE FORWARD

“As usual, the first order of business was for our supply chain professionals to quickly come up to speed on this client’s supply chain people, process, and technology,” said Plan4Demand’s CEO, Lisa M. Kustra.

“We do this through rapid deployment of a proven assessment methodology that helps us document and analyze key components of the supply chain.”

This comprehensive assessment not only pinpointed many opportunities for driving value from a VMI program, but also for achieving greater efficiencies and cost-effectiveness throughout the client’s supply chain in general.

P4D’s professionals then performed a rigorous **VMI Readiness Test** to further evaluate the client’s business. The test—an exclusive tool developed by Plan4Demand consultants based on their extensive industry experience and technical expertise in the VMI realm—is applicable across market verticals and is designed to analyze more than 50 criteria covering areas including collaboration, planning processes, demand signal, performance metrics, systems technology, organizational structure, and more.

Plan4Demand’s Readiness Test helped jump-start the project and quickly highlighted key issues that had to be resolved to ensure a successful VMI program. Some of the key recommendations that would need to be implemented to make the client VMI capable were:

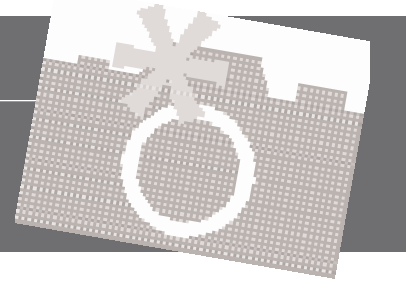
Redesign the forecast unit structure To enable forecasting at the customer location level—a prerequisite for implementing VMI.

Simplify sourcing rules Our analysts determined that simplifying the rules used to determine the service location for a customer would enable better

Solution Snapshot

Problem: Unsure whether a vendor managed inventory program was right for their organization, supply chain executives with this company sought value-based business insight from Plan4Demand.

Solution: Based on deep industry experience and hands-on VMI expertise (including the technology), Plan4Demand's supply chain pros rapidly proved the value of VMI, then rolled out the package.



service to the customer's store locations.

Give priority to VMI customers After examining our client's contractual obligations to its VMI customers, Plan4Demand's business process specialists determined it was vital to develop and deploy a process for allocating inventory to them on a priority basis.

After reviewing our recommendations, supply chain executives with this company decided to proceed with their proposed VMI initiative. One final hurdle they faced, however, was that business constraints dictated an extremely aggressive time line within which the program had to be designed and implemented.

Based on the valued-oriented results of their initial engagement with Plan4Demand's industry-veteran professionals, their decision to continue working with us was a snap. In short order our consultants developed and rolled out a multi-phase VMI program including:

Technical design With 30% of our clients among the Fortune 1000 (and nearly 20% among the Global 500), our supply chain experts leveraged their deep experience to rapidly complete this phase of the project. Since the new forecasting structure would be radically different from the old model, they decided to keep the VMI planning system separate from the main planning system, to enable full visibility of their VMI requirements.

Collaborating with our client's VMI customers Again, thanks to the world-class professionalism of Plan4Demand's consultants, this client welcomed the guiding role we played managing interactions with their pilot customers, setting up their relationships and independent obligations. Our team members even created the templates that VMI customers would use to feed daily on-hand inventory data and sales records back to our client for ongoing planning purposes and future process optimization efforts.

Technical Development, Testing, Piloting, Training, and more It takes more than a successful go-live to nurture rewarding business relationships. That's why Plan4Demand delivers unrivaled value at every stage of every project.

We identified all data elements and interfaces that needed to be modified, created, or tested; assisted with the organizational design and development of job responsibilities for the people who would be running our client's VMI program; *documented everything*; conducted a successful pilot demonstration to ensure executive buy-in; then developed and delivered a customized training program to ensure end-user adoption, long-term self-sufficiency, *and maximum value for our client's investment!*

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.



People—Process—Technology

Call Plan4Demand at 412-733-5050
or visit www.plan4demand.com.