

Oliver Wight

Enterprise Sales & Operations Planning Tool

Align your supply chain with the competitive priorities demanded by your marketplace. Sales & Operations Planning is a business process that allows top management to align strategic initiatives, balance critical resources, and drive day-to-day business results for optimal customer service. S&OP enables you to predict and respond to market-driven changes reliably.

The Enterprise Sales & Operations Planning Tool was created by Oliver Wight to help clients collapse the time it takes to get an S&OP process up and running. Companies of all sizes and industries have realized success from implementing S&OP with the Oliver Wight Companies. Here are some of their stories.

Leggett & Platt Hoover Plant

Leggett & Platt, a manufacturer of engineered products, serves a variety of major markets. The Hoover plant, part of the company's residential furnishings division, manufactures box spring components and mattress innersprings. The primary challenge Leggett & Platt needed to tackle involved shifting the company from autonomous regions to a network of branches that would link as a supply chain. To meet the changing demands of a customer base shrinking in numbers and increasing in size, the company now has to be able to ship any product to any part of the United States whenever a customer needed it.

Branch Manager Gary Bayma indicated that the S&OP process made a substantial difference. "We got all the players together in one place to go over the customer requirements, how the future looks to them, as well as any changes to the product," Bayma said. "Before, we used to get these things piecemeal. We had information before, but now it is better, more credible, and more accurate."

The formal planning process enabled the company to make major changes while serving customers and meeting budget requirements.

- Finished goods inventory record accuracy improved 50 percent.
- Overall equipment efficiency and manpower productivity has improved.
- The company reduced weekend overtime and, as a result, employee morale soared.



Actual Business Results of Oliver Wight Clients

Company	Before	After
Forecast Accuracy		
food manufacturing	42%	61%
consumer products manufacturing	40%	65%
equipment manufacturing	34%	65%
On-Time Delivery		
health products manufacturing	40%	99%
aerospace	28%	98%
technology manufacturing	30%	97%
Company		Impact
Sales Volume Increase		
clothing and apparel manufacturing	50%	
textile manufacturing	45%	
food processing company	28%	
Inventory Reduction		
health products manufacturing	40%	
aerospace	50%	
technology manufacturing	46%	

"S&OP made a big difference. We got all the players together in one place to handle customer requirements, their future needs, changes to the product, and so on. Before, we did all this piecemeal."

- Gary Bayma, Branch Manager
Leggett and Platt Hoover Plant

Dura-Bond Bearing Company

Dura-Bond Bearing Company is a \$9 million manufacturer of cam bearings for the automotive aftermarket. The plant had solid market penetration and strong profit margins. However, under the guidance of President Chuck Barnett, Dura-Bond was trying to position itself for its next 50 years. People at the plant quickly realized that they would have to modify their procedures to be competitive in the 21st century.

According to Barnett, "We lacked good coordination between the sales operation and purchasing planning. Sales would say, 'We thought you were going to build this' and Operations would say, 'You're always a little off so we built what we wanted to build.' They clearly weren't working together."

During the period between when Dura-Bond started the Class A process and when it succeeded, it experienced:

- Significant reductions in scrap materials.
- Reduced overtime, inventory carrying costs, and production queues.
- Reduction of past due orders and rush freight costs.
- On-time delivery improvement from 68 percent three years ago to 99 percent today.
- Reduction in expedited deliveries allowing concentration on improving sales volumes and operating efficiencies.

What is Sales & Operations Planning?

Sales & Operations Planning is a process led by senior management that, on a monthly basis, evaluates revised, time-phased projections of supply, demand and the resulting financials. It's a senior management decision-making process that ensures that the tactical plans in all business functions are aligned and support the business plan.

The objective of S&OP is to reach consensus on a single operating plan that allocates the critical resources of people, capacity, materials, time, and money to most effectively meet the marketplace needs in a profitable way.

"The S&OP helped us most because the planning represents the consensus of all parties' plans. If you don't have that consensus, then you're always at odds. So with an S&OP process firmly in place, everyone is doing his or her part; it all comes together, and everyone is on the same page."

- Chuck Barnett, President
Dura-Bond Bearing Company



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