

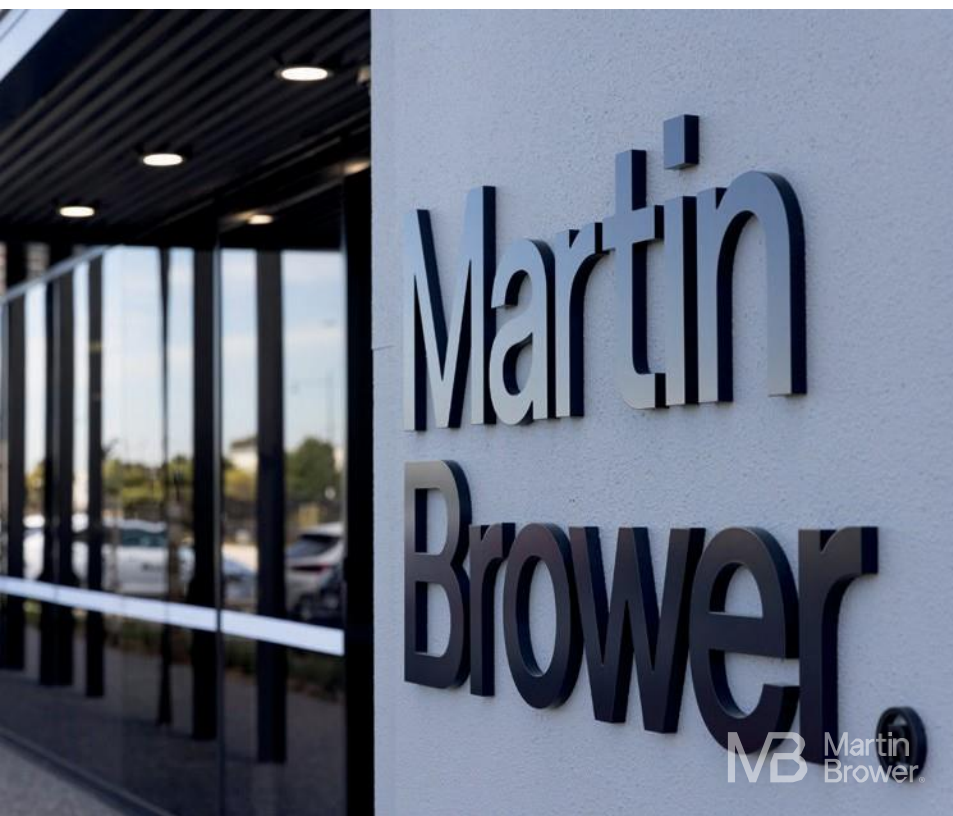


Customer Profile

Martin Brower Australia and New Zealand (ANZ)

Benefits at a glance

- Increased customer alignment and engagement
- Improved promotional planning and forecast accuracy
- Contributed to significant improvement in Supply Chain staff engagement scores & 90% reduction in staff turnover
- Great Place to Work® certification
- Effective scenario planning and 'what if?' capability introduced
- New sense of pride and ownership among the workforce
- Better linkage to budget cycles
- Demand and supply planning visibility increased from the very near term out to two years
- Improved system reliability and data-integrity
- Quarterly inventory write-off was reduced by over 20% from the previous quarterly average



Martin Brower ANZ achieves Oliver Wight Class A Accreditation in Integrated Business Planning and Integrated Tactical Planning

Introduction

In just two years, Martin Brower ANZ (MB), a global leader in supply chain solutions, achieved Oliver Wight Class A status resulting in dramatic improvements in supply chain reliability and cost management. Enhancing its promotional planning and forecast accuracy in the process, it has also improved alignment with the needs of its customer, McDonald's. With a focus on people as well as process, MB was able to significantly reduce staff turnover and by embracing a 'people first' culture, engagement scores improved from 88% to 93% and the company was awarded its first ever Great Place to Work® certification.

Martin Brower ANZ, based in Sydney, is part of the global MB supply chain solutions group, operating in 18 countries, specialising in end-to-end Supply Chain Solutions. MB works with over 200 suppliers from around the globe to deliver products as diverse as mops to frozen patties and chilled salads in one consolidated delivery. This is no easy task, with more than 110,000 deliveries made each year to more than 1,200 restaurants over a distance of more than 13 million kilometres across Australia & New Zealand – all with fewer than 800 team members.

Martin Brower background:

For more than 90 years, MB has been a strategic supply chain partner to the world's leading brands.

We specialize in delivering a complete supply chain experience, with planning and execution seamlessly integrated at every stage. This powerful combination helps our customers drive greater value out of their supply chain, so they have more time to focus on what truly matters – growing their business and serving their customers.

Our global footprint spans across 18 countries, delivering around 700 million cases annually to over 26,000 locations worldwide.

In Australia and New Zealand, we operate nine distribution centers (DCs) using advanced technology and sustainable practices to optimize the flow of goods to ensure MB meets the high service standards McDonald's expects.

MB's commitment to innovation and customer-centric supply chain solutions supports the DCs through initiatives that minimise their carbon footprint by reducing waste and enhancing operational efficiency.



Martin Brower's Supply Chain Team receives the Class A award from Oliver Wight Partner, Rod Hozack

Starting point: The transformative journey begins

This dedication to customer service, however, was coming at a significant cost. The problem was the company couldn't pinpoint just how significant.

Managing Director, Scott Hanigan, says, "There was a culture of making sure 'we never short McDonald's', but with insufficient process discipline, resulting in last minute changes which increased cost and waste. We always delivered; the opportunity was to do this more efficiently and at a lower cost."

The symptoms were there – staff turnover was high and reducing waste was an opportunity – and the company recognised it needed to formalise its business processes to get a firm grip on its performance and finances. There was a clear requirement for a well-structured, cross-functional planning environment.

It was Mr. Hanigan who identified the challenges when he joined as Supply Chain Director in 2019 (he became Managing Director in 2022). At the time, the Supply Chain Services (SCS) function had limited visibility into medium- and long-term planning, often leading to reactive approaches and siloed operations.

Martin Brower's pre-Class A challenges

- Limited planning horizon beyond four weeks, and data-integrity issues out beyond six months, making it hard to foresee and address risks.
- Lack of decision-aligned data, reports, and systems to support effective decision-making.
- Great people doing a great job, but with fragmented processes across teams, demand, supply, and promotions planning were often managed in isolation.

Mr. Hanigan had already experienced an Oliver Wight Class A journey with his previous company, BP Castrol, and was keen to embed Integrated Business Planning (IBP) for longer term planning supported by Integrated Tactical Planning (ITP) as a formal execution process, knowing that the associated benefits would be substantial.

However, with the programme starting just as COVID-19 was beginning to spread worldwide, it could have easily been stopped before it started. The first meetings were late in 2021 and at the height of lockdowns the biggest issue was in designing and deploying a change programme.



While Oliver Wight still had access onsite, there was a daily requirement to be COVID tested before entering the building and there was uncertainty every day as to how many people would turn up due to positive test results. There was also significant staff turnover, with the IBP Lead, ITP Lead, and a new Supply Chain Director, Darren Fitzgerald, joining the company after the initial education and design work was completed. They did extremely well to get up to speed and take on leadership roles quickly.

Mr. Hanigan was pragmatic; “This is not a race; our team needs to understand the concepts, so that we are able to make continual progress that is sustainable”, he said.

And he had to be pragmatic, because on top of the pandemic, there was a succession of other crises: the worst bushfire season known in Australia in years, followed by some of the most devastating rain and flooding on record, whilst the Indian-Pacific rail line was cut for nearly two weeks¹, to mention just a few of the external challenges.

If there was any benefit to this chain of events, it was to highlight to MB the need for more pro-active ‘what-if?’ scenario planning and ready-to-go contingency plans. This was an integral part of the Oliver Wight Class A programme and the benefits were quickly realised.

¹ The Indian-Pacific rail line runs from Sydney in the east to Perth in the west and is the world’s longest rail line covering 4,350 kilometres (2,704 miles). It is a vital transport link that joins the east coast with the west coast of Australia.

A case in point

A year into the implementation, and on the back of continued COVID-19 uncertainty, extreme weather conditions across the country, resulting in massive bushfires, widespread flooding and main transport routes being cut, there was significant uncertainty with being able to supply to McDonald’s for a planned new line launch. There was also uncertainty about the new product requiring incremental raw ingredients, or if it would just be 100% cannibalisation of existing products. The IBP process highlighted the uncertainty early enough to create several what-if scenarios, supported by agreed contingency plans worked through with McDonald’s and suppliers to ‘pro-actively acquire more ingredients if required’. This guaranteed the launch was not compromised by short supply, a situation that would previously have been managed by a crisis committee. It provided clear evidence to Joseph Nguyen, the Integrated Business Planning Analyst, of the value that a pro-active approach IBP and ITP processes could bring to the business: “The tools and metrics we have in place now allow us to anticipate changes and act proactively, which was not possible before”, he enthused.



“The tools and metrics we have in place now allow us to anticipate changes and act proactively.”

– Joseph Nguyen, **Integrated Business Planning Analyst**

Accreditation pathway and key changes implemented

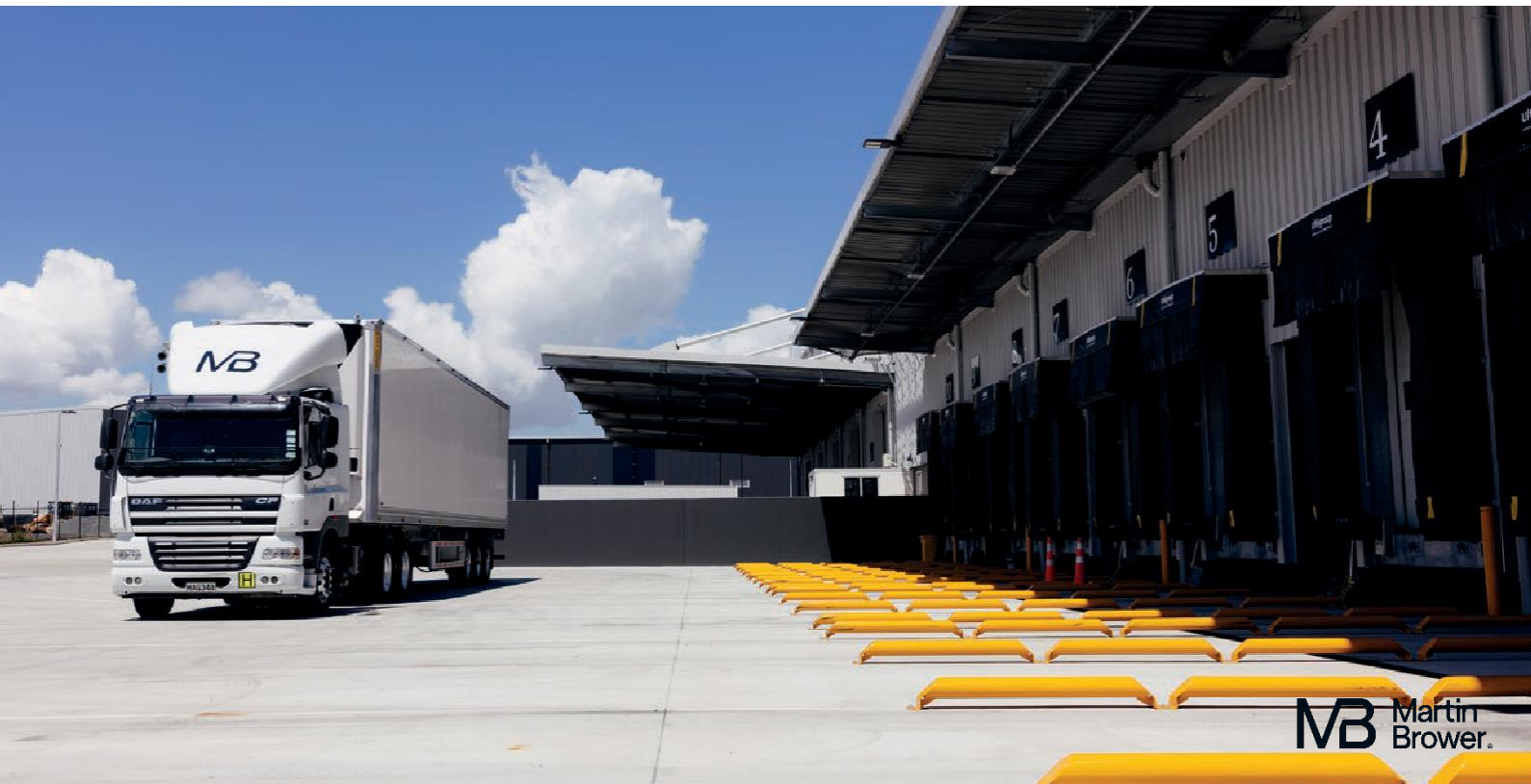
The Class A project was initially implemented as a pilot within the supply chain function to demonstrate proof of concept, with the intention of rolling it out to other functions.

Working with Oliver Wight, MB embarked on a structured design and deployment process, ‘The Oliver Wight Proven Path’² to align all its supply chain functions under a unified planning approach. Initially, the aspiration was to achieve a ‘foundation’ level of performance in the IBP process (which acknowledges processes and disciplines are in place, but performance improvements are yet to be demonstrated). However, as time moved on, COVID-19 lockdowns deepened and world events were creating even greater uncertainty, it became clear that ITP was also going to be a key requirement to gain greater control over managing the shorter term in this volatile period.

Key benefits of the Oliver Wight Class A programme

- **Enhanced forecasting and planning tools:**
 - Extended visibility in demand planning from three-to-six months at best, to two years.
 - Improved system reliability, with data-integrity issues for the longer term resolved.
 - Better linkage to budget cycles where the Finance team is now comparing its projections to the IBP plans, with opportunity in the future to eliminate the need for a separate process when Finance participates in the IBP process.
- **Balance charts:** These are central to excellent IBP and ITP performance, to ensure the projected interplay between demand and supply and resultant inventory are visible and managed pro-actively. Prior to the Class A programme, the data was simply not available but after many months of dedication, inventory analysis against policy eventually became visible for a longer-term horizon of nearly two years. These charts are now routinely reviewed at a monthly level in the Supply Review and Management Business Review, and at a weekly level in the Integrated Tactical Planning meeting.

² oliverwightasiapacific.com/approach/the-proven-path



MB Martin Brower

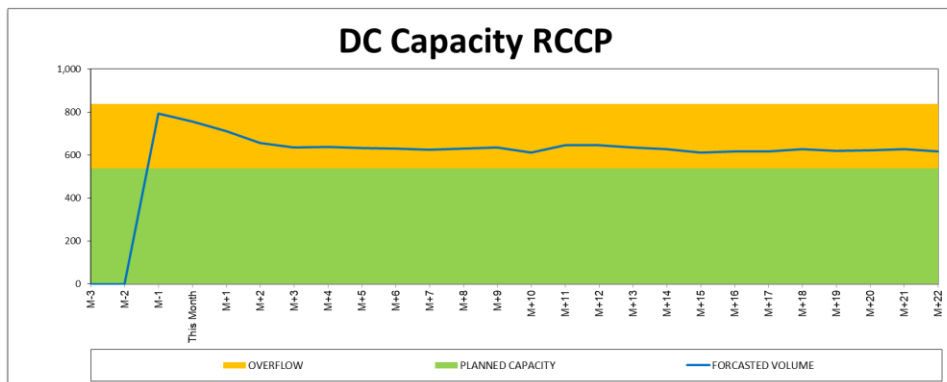


Figure one: Ongoing capacity issues prior to the Class A implementation were not formally visible, but are now visible and are being pro-actively managed.

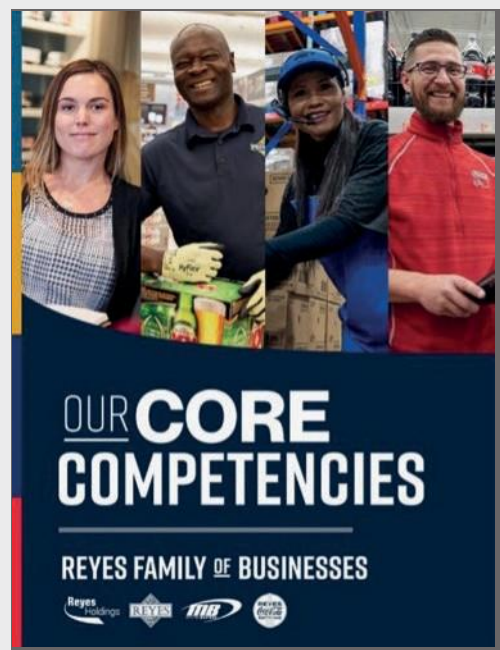
- Capacity charts for DCs:** The ability to create balance charts in turn facilitated the development of DC capacity charts for the nearly 30 temperature zone locations across ANZ. These give early warning of overloads, especially at the smaller DCs and at peak time.
- Scenario Planning and Root-Cause Analysis (RCA) implementation:** Introducing RCA across IBP and ITP processes meant recurring issues could be addressed proactively. For example, an ongoing problem identified was the number and cost of special orders, i.e. those that are not part of a standard delivery run. After 12 months of hard work by the team, there was a dramatic 70% fall in urgent rush orders.
- Cultural and leadership shifts:** External training sessions instilled new leadership skills and promoted a 'people first' culture, helping increase engagement scores from 88% to 93% and contributing to a 90% reduction in staff turnover. With employee turnover previously so high, there was also a significant problem in that as people left, they took their knowledge with them. With defined management processes and an aligned induction programme, this issue has been eliminated.
- Structured meetings and metrics tracking:** Regular IBP and ITP meetings with clear agendas and performance metrics have fostered real accountability and consistency across teams.

“The transformation has not only streamlined our processes but has also instilled a sense of ownership and pride within our team.”

– Mark Robards, **Integrated Business Planning Manager**

A special ‘callout’ for people’s evolution and process maturity

Importantly, the Oliver Wight IBP and ITP accreditation journey has fostered a significant cultural shift at MB, creating a more stable, engaged, and accountable team. Through the Thinka-led leadership training and the ADKAR change model, employees have embraced a ‘people first’ culture. Cross-functional knowledge-sharing and structured, metrics-driven meetings have empowered employees to take ownership of performance, while tools like Root Cause Analysis (RCA) and scenario planning have embedded a mindset of continuous improvement and ‘being prepared for uncertainty’. Integrated Business Planning Manager, Mark Robards, says, “The transformation has not only streamlined our processes but has also instilled a sense of ownership and pride within our team.” By integrating clear communication channels and succession planning, the team now operates with heightened flexibility, transparency, and strategic alignment, ready to tackle future challenges with a cohesive approach.





Promotional planning issues and firefighting have been reduced by improving visibility and collaboration across functions.

Key benefits achieved

The impact of the IBP and ITP programmes was so substantial, that the decision was made to elevate expectations beyond ‘foundation’ processes to a Class A Accreditation. This means that as well as IBP and ITP processes being embedded as key management frameworks, key process-integrity metrics must also be held at minimum levels for three months.

A shining example comes from MB’s Supply Chain Solutions team. Supported by the company’s performance improvement culture, the team became a fully integrated unit aligned over a 20+ month horizon right through to the 13-week execution window. Now any significant changes can be dealt with in a controlled way by the team, rather than through crisis management.

Supply Chain Manager, Kerrie Kerr, explains, “There are still challenges; things are changing all the time. It’s just that now, we do it with fewer meetings, focusing on what is changing and the implications, and we are looking further out so we are far better prepared than before.”

Oliver Wight Class A – the tangible and intangible benefits:

- **Operational efficiency:** Promotional planning issues and firefighting have been reduced by improving visibility and collaboration across functions. A change in mindset from ‘get it done’ to pro-actively planning potential responses and optimising inventory positions and scenarios has dramatically reduced inventory write-offs and sent them trending downwards.

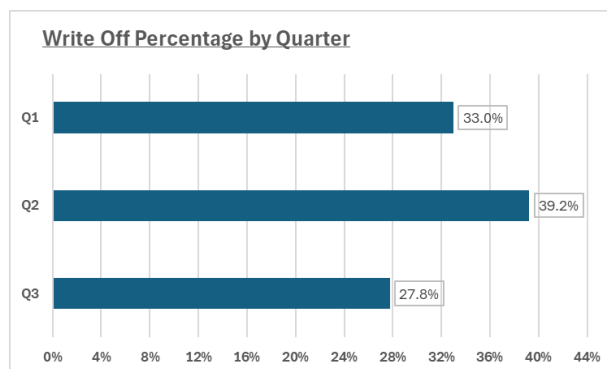


Figure two: Inventory write-off costs trending downwards over the most recent quarter



KPI	Target	Actual		
		Jun	Jul	Aug
Rolling six-month forecast accuracy	+/- 2%	-0.8%	-0.4%	2.2%
AU forecast error (lag month minus three) - weighted absolute forecast error at item level	> 95%	93.8%	95.7%	95.3%

Figure three: Excellent forecast accuracy and almost perfect forecast bias results

- Improved forecast accuracy:** Forecast accuracy was already high at 89% but increased yet further between 2023 and 2024 to 90%, a hugely significant improvement given the high start point. Additionally, more recently, the weighted absolute percent error (WAPE) at lag month minus three, has been consistently above 90%, which is as high as any seen across any industry. This has been accompanied by the virtual elimination of forecast bias in the medium-term (at lag month minus three over a rolling six-month horizon).
- Enhanced collaboration and communication:** Cross-functional meetings and integrated dashboards have broken down silos across the business, allowing teams to align on shared objectives and a single set of metrics.

As Amanda Campbell, facilitator of the Promotions Review, comments, “We now talk a lot more and solve problems in cross-functional groups, which we never had time to do before”.

- Promotions management success:** Structured ‘what-if’ analysis and promotional planning ensures virtually 100% product availability, particularly during high-demand periods such as at Christmas, but almost as important, there is far less ‘firefighting’ and crisis management, as illustrated by the what-if scenarios and contingency preparation for a recent new product launch outlined in the ‘case in point’ above.



Martin Brower ANZ's accreditation journey is a testament to the value of taking a structured approach to change management

Looking ahead: Continuous improvement and scaling

MB's accreditation journey is a testament to the value of taking a structured approach to change management and having the specific end goal of IBP and ITP accreditation. By maintaining this momentum and focusing on continuous improvement, the team is well-positioned to support larger strategic initiatives and extend best practices across the entire organisation.

Now that proof of concept has been demonstrated, the next phase is to incorporate the Finance department. At the same time, McDonald's is embarking on its own business planning journey, so MB's alignment with its customer's process is also critical.

Post-accreditation opportunities and next steps

MB is committed to building on its gains, with planned further refinements:

- 1. Standardizing scenario plans:** Develop a library of scenario plans for known risks (e.g., seasonal demand spikes, potential supplier shortages, and options for standard transport routes) and increase the use of 'whatif' analyses.
- 2. Increased stakeholder involvement:** Incorporate Finance and additional stakeholders into the regular IBP and ITP reviews for broader accountability and collaborative planning.
- 3. Refining performance metrics:** Continue bi-annual metrics review workshops to ensure the KPIs reflect organizational goals and encourage continuous improvement.
- 4. Enhanced data collection and reporting:** Improve data visibility and expand the scope of ITP practices to include other business areas.





Imagine the **possibilities**,
realise the **potential**.®

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