



Book Printing Custom Supply Chain Strategy and Planning Analytics

The Challenge:

A leading printing company desired to expand their business model and value proposition by providing key customers with outsourced supply chain services including supply chain strategy, demand forecasting, inventory management & replenishment planning services. Publishers face tough decisions on how to manufacture products (high volume/low cost offset printing or low volume/higher cost digital printing), how much to order in a run, and how much inventory to stock in different locations. While the client had considerable experience analyzing these decisions, they lacked a formalized and scalable solution suitable for enterprise-level planning needs. The company challenged Spinnaker with developing a working system within a short time window to meet key customer needs.

The Solution:

Spinnaker quickly helped design and deliver a solution capable of meeting key business requirements for outsourced planning. This customized solution included:

- Embedding of custom Spinnaker analytics and supply chain planning logic
- Generating statistical forecasts accounting for outliers, trends, and seasonal models
- Generating recommended operating strategies by item including the choice of production method, safety stock levels, order multiples, and other planning parameters based on total cost simulations by operating model by item
- Planning replenishment orders based on the forecast and selected planning parameters
- Automated to easily handle thousands of SKUs without adding headcount
- Flexible enough to allow for differences due to uniqueness of certain products
- Attractive, high-tech “look and feel” to provide solution credibility to its customers but also demonstrate “ease of use”

In addition to the analytical solution, Spinnaker developed a business process spanning new product planning, demand forecasting, inventory management and supply planning, a detailed demo scrip covering:

- Importing and analyzing historical shipments, customer master, item master, production cost data and on-hand inventory
- Forecasting demand using PC-based forecasting tools with sophisticated algorithms
- Segmenting products into different clustered operating models in terms of:
 - Production methods (i.e., low setup/high run cost or high setup/low run costs)
 - Stocking strategies (MTO, MTS with order review or MTS on “auto-order”)
 - Reorder points & safety stock levels
 - Lot sizing strategies including traditional EOQ, Silver-Meal or hybrid approaches
- Spreadsheet-based replenishment planning including “saw-tooth” inventory projection charts with recommended order quantities and the ability to override order quantities


The solution heavily leveraged a self-service analytics tool to address unique industry considerations and allow for speed, repeatability, scalability and flexibility for the process.

The Results:

The company successfully demonstrated the solution to its customer, with one executive commenting that it was “extremely well received by the customer, well thought out and really made a difference.” Not only does the company believe it is well positioned to start providing these services to its customers as a value-added service, it has immediately decided to implement the developed planning approach and solution for its own internal direct-to-consumer division based on identified savings over 30% in production and inventory costs.

About Spinnaker: Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

Contact Us:

 [Phone: 877-476-0576](tel:877-476-0576)

 [Email: info@spinnakermgmt.com](mailto:info@spinnakermgmt.com)