



CASE STUDY



Food Manufacturer Logility Solution Optimization

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, Spinnaker consultants led the way to user acceptance and adoption of the Logility software.

Getting Back On Track

At Spinnaker, 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 Spinnaker.

People...

Armed with a firm appreciation of both the company “political landscape” and the user frustration level, the first step for Spinnaker 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,”

Spinnaker 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 Spinnaker 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.

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, Spinnaker 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, Spinnaker 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 Spinnaker 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 Spinnaker 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, Spinnaker educated people on ways to improve process and do it best using their technology.

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.

Contacts Us:

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

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