



CASE STUDY



Spinnaker Helps Global Footwear Company Redesign Planning Processes and Selection Planning Software

Highlights



- Delivered new future-state processes to enhance and align regional demand and supply planning and global demand and supply planning
- Prepared client to select an Advanced Planning and Scheduling suite that will facilitate regional and global tactical and strategic planning
- Helped client reduce inventory costs, enhance customer service, and improve management of its manufacturing and distribution capacity across regions
- Provides ongoing program management, supply chain best practice alignment and program management support as the new processes and software applications are implemented

The Challenge: In less than a decade from its inception, this high-growth footwear and apparel company shot to a position of global leadership. Selling more than 250 casual footwear styles in over 125 countries, the publically traded company books over \$600 million in annual revenues.

Skyrocketing growth strained the company's ability to balance capacity and demand. Despite a sophisticated network of near-shore and offshore manufacturing facilities (primarily located in Asia), and global distribution capacity, the company was plagued with excess inventory and declining customer service levels. At the same time, the organization struggled to create synergies between regional operations: Confusion around regional vs. global ownership of excess inventory and responsibility for surplus third-party manufacturing capacity hampered efficiencies and drove up costs.

Decision makers recognized that swift growth had left the company with increasingly costly organizational, process, and technology issues. The company's management called on Spinnaker to analyze current supply chain planning and fulfillment processes, develop enhanced processes based on proven best practices, and lead an Advanced Planning System (APS) software sourcing and selection project.

The Approach: Working closely with the client's global leadership team, Spinnaker's seasoned supply chain professionals conducted targeted, in-depth interviews and

process design sessions with the planning, distribution, and executive groups. With a clear picture of the company's challenges and opportunities, the Spinnaker consultants performed a root cause analysis of the business issues causing the most pain, and designed tactical and multi-year planning processes that aligned with the organization's strategies. Translating the new processes into future-state planning processes, the team built a set of requirements to inform the APS selection process.

The Solution: A new process that compares targeted customers' service levels with inventory budgets allows the organization to make educated decisions around tradeoffs between service level and cost. Enhanced tactical planning and medium-term order-commit processes ensure that the medium-term (5 months to 1 year) supply chain has sufficient capacity to meet all of the company's demand commitments. Formalized processes for multi-year supply and demand plans allow the client to make physical modifications to the supply chain and better align manufacturing and distribution capacity with anticipated long-term demand.

Standardized planning processes across the enterprise and formalized touch points that provide insight into the company's global planning are creating synergies across the company's regions – helping transform its global supply chain into a high-performing asset.

The Results: Acting on the analysis and recommendations provided by Spinnaker, the client has already reduced inventory costs, enhanced customer service, and improved management of its manufacturing and distribution capacity across regions.

To drive maximum benefit from its new supply chain planning strategies and processes, the client needs a robust, agile APS that can provide the flexibility needed to manage changing business needs in a dynamic economic environment. Spinnaker is managing the APS selection process in partnership with the client, while helping the organization prepare for the technology implementation.

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.

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