simflex™

EXAMINE . ENHANCE . EXECUTE

Achieving SIOP Excellence

Projecting the future financial and operational performance of business decisions, and allowing what-if analyses to identify and eliminate bottlenecks or constraints

Background

With a diversified product portfolio and a complex supply chain, ViewCorp* was looking for a solution that would streamline its monthly SIOP process to achieve operational efficiency, reduce costs and have supply chain visibility to make their business decisions.

Challenges

To replace their existing aggregated monthly planning process, which was characterized by isolated systems, spreadsheets and independent judgments. This approach contributed to high inventory levels, inefficient capacity utilization, and ultimately high landed product costs.

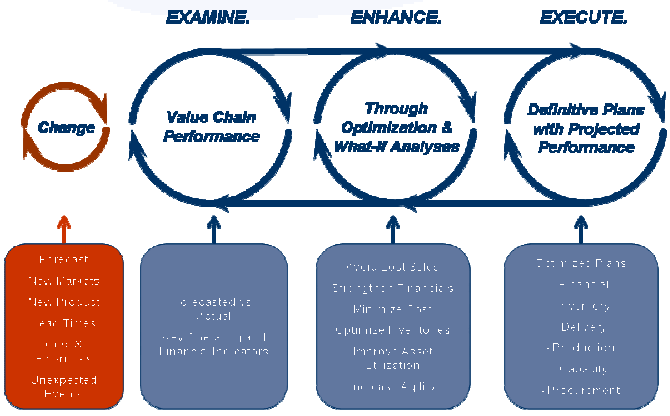
Solution

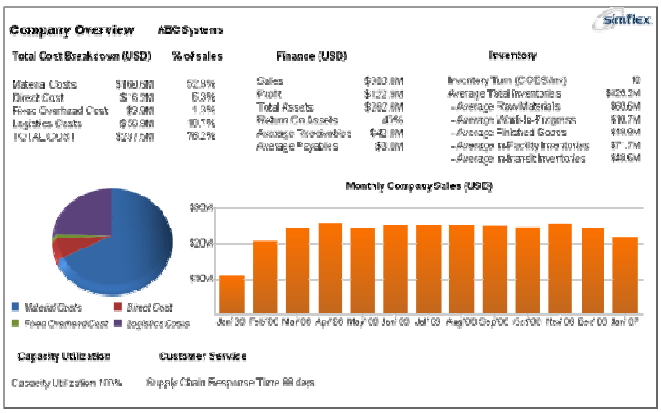
SimFlex maintains a *"master model"* of the existing value chain, including suppliers, manufacturing sites, logistics centers and customers in different geographies. An update or change, like a new sales forecast, triggers a new SIOP analysis, where SimFlex projects future financial and operational performance within the existing value-chain. Potential bottlenecks or constraints are identified and eliminated by conducting 'what-if' analyses or creating revised plans.

- *Created a streamlined and consensus-based monthly SIOP process*
- *Increased supply chain visibility*
- *Determined the optimal 'plan to execute'*
- *End-to-end supply chain cost reduced by 5%*
- *Increased capacity utilization by 30% and lowered inventory levels by 20%*
- *Faster responsiveness to changes with less planning resources*

Results

SimFlex provides the process and enabling technology for streamlined and consensus-based SIOP planning. SimFlex optimally balances demand and supply, ensuring that the sales forecast is met while efficiently utilizing the current resources. The optimized 'plan to execute' is distributed to both manufacturing sites and suppliers. Overall, the implementation of SIOP led to a reduction of end-to-end supply chain cost of 5%, capacity utilization improvement of 30% and 20% lower inventory levels. Furthermore, the time required to respond to sales forecast changes was also significantly reduced.





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