

Demand Driven SCM for SAP

A step change in implementing the Demand Driven Adaptive Enterprise Model

Lyon, July 6th, 2017

CAMELOT Consulting Group – Leading Expertise in Integrated Value Chain Consulting

CAMELOT



Integrated Management, Process and IT Capabilities

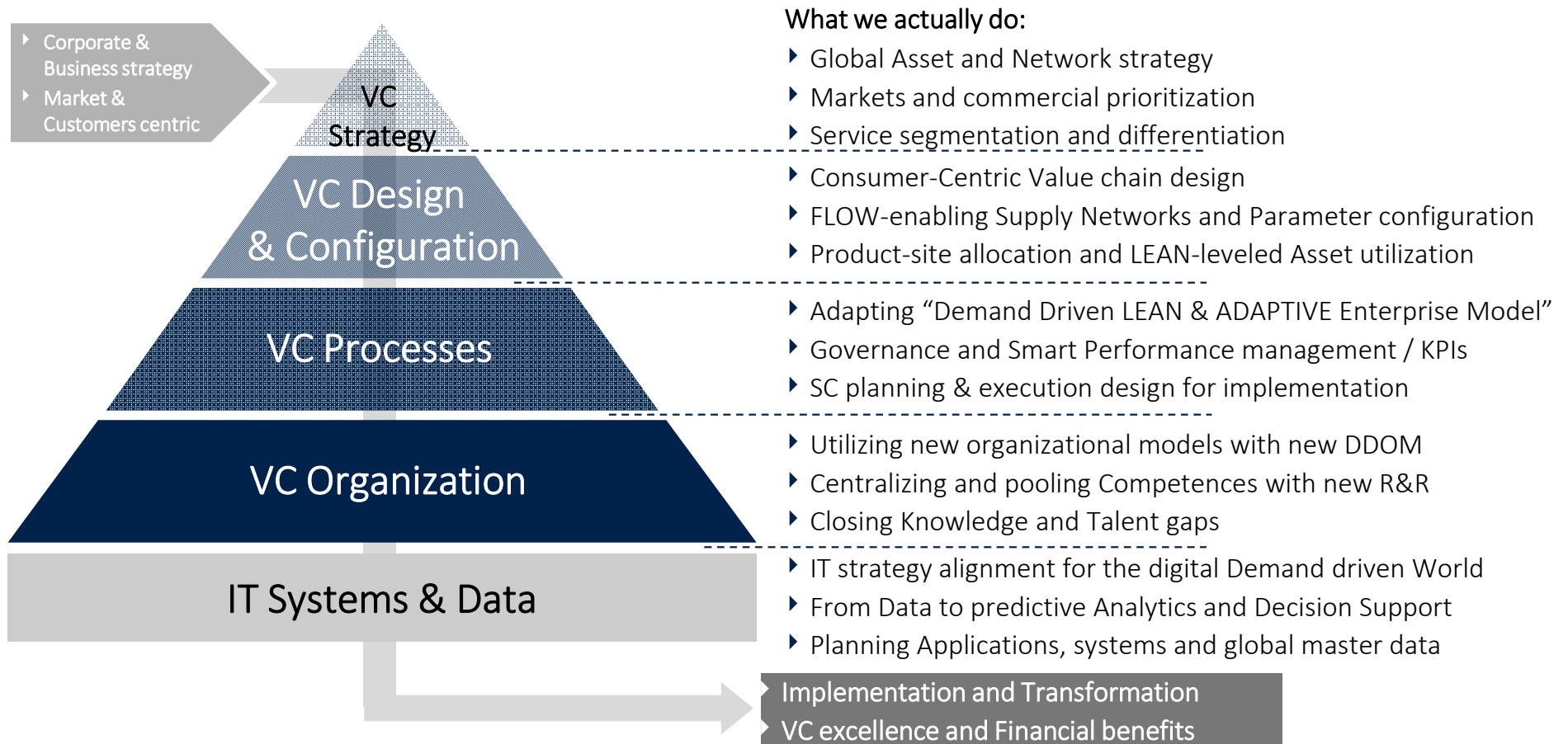
► CAMELOT Consulting Group

- More than **20 years** of consulting experience
- Specialized expertise in value chain consulting, focusing on the **process, consumer packaged good and industrial manufacturing** industries
- **65% of the Fortune 500 companies** in our core industries are our clients
- Present where you need us - in **more than 60 countries**
- International teams of **1,600 consultants**

► Perfectly combined expertise

- CAMELOT offers an integrated consulting approach:
Strategy to results. Innovations to Solutions
- CAMELOT **Management Consultants (MC)** is the globally leading consulting specialist for value chain management
- CAMELOT **Innovative Technologies Lab (ITLab)** being our incubator for innovative solutions and business applications development

Value Chain Management – and what we actually do



How CAMELOT supports you on the journey to a Demand Driven Supply Chain Management?

Concepts & Thought Leadership

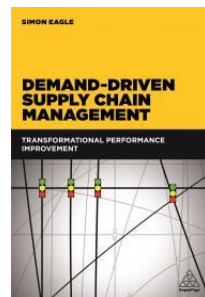
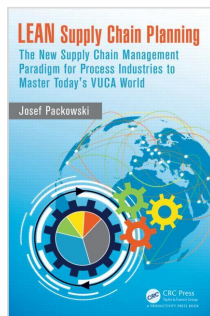
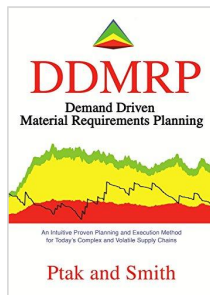


Solution & Implementations

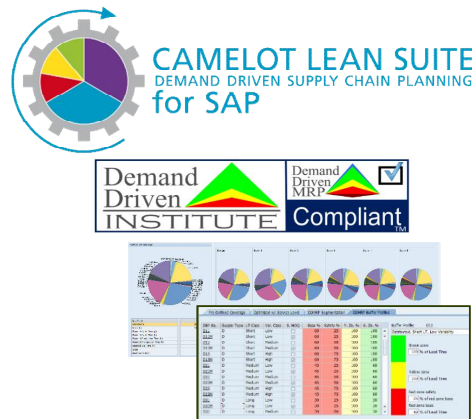


Digital Transformation: SAP Roadmap readiness

Demand Driven Adaptive Enterprise Model
 with a new SC planning paradigm,
 value-adding impacts on Organizations and
 established "Thought ware"



CAMELOT LEAN Suite for SAP as an
 innovative and **unique DDMRP solution**
 for Demand Driven SC Planning based on
 SAP SCM and S/4HANA technology



CAMELOT LEAN Suite for SAP runs on **all**
available SAP technology platforms:
 SAP SCM APO, SAP **S/4** HANA and SAP **IBP**



Co-Innovated with SAP®



Certificate
 SAP INTEGRATION CERTIFICATION

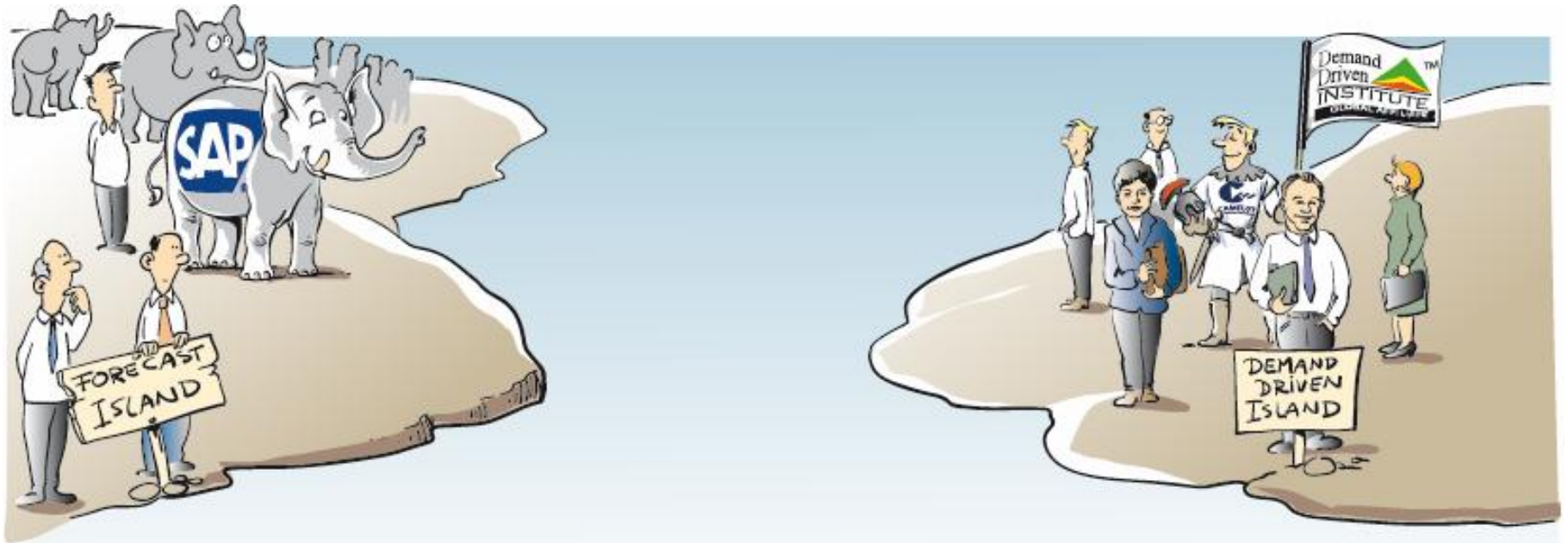
SAP SE hereby confirms that the ASAP interface software
 for the product
Demand-Driven Lean Planning Suite
 version 1.0 for SAP S/4HANA 1610
 of the company
 Camelot ITLab GmbH



Agenda

- ▶ Status of the Demand Driven paradigm
- ▶ CAMELOT's solutions for Demand Driven SCM for SAP
- ▶ Your Demand Driven way forward with SAP

Development of the Demand Driven Adaptive Enterprise Thoughtware



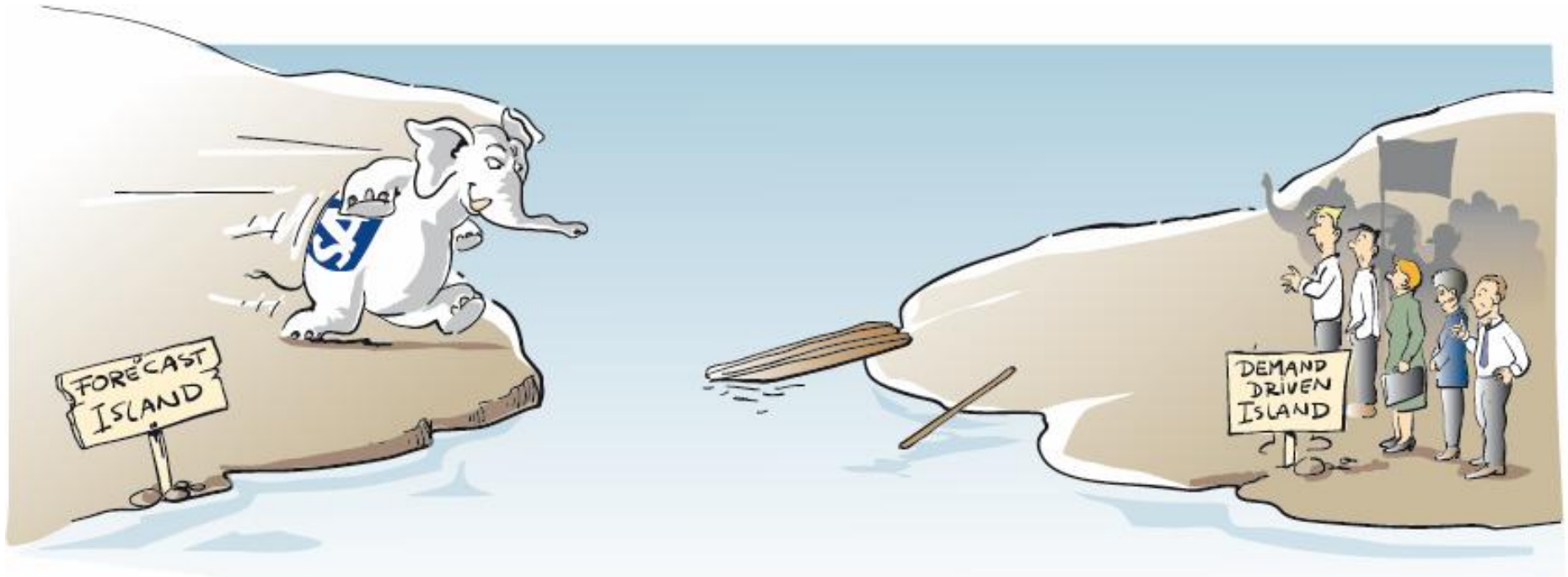
Development of the Demand Driven Adaptive Enterprise Thoughtware



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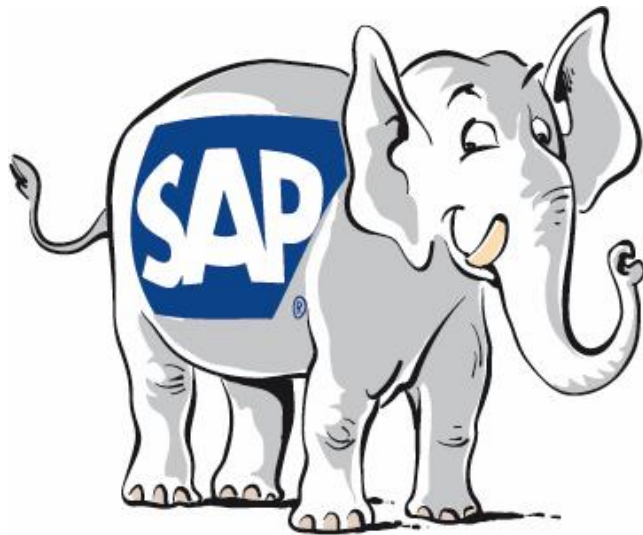
Development of the Demand Driven Adaptive Enterprise Thoughtware



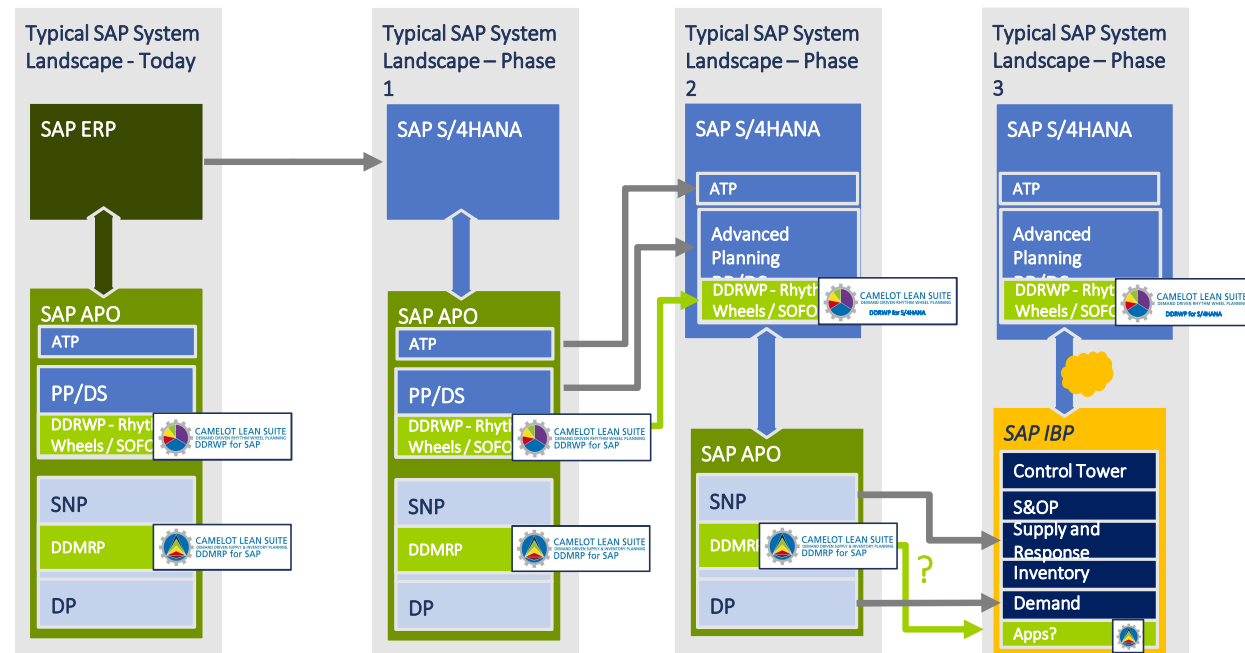
... even elephants are following

Development of the Demand Driven Adaptive Enterprise Software

SAP



SAP ERP & SCM investments in the Demand Driven World –
A conversion roadmap



Demand Driven SOFTWARE is in place !



The Demand Driven Adaptive Enterprise is ...

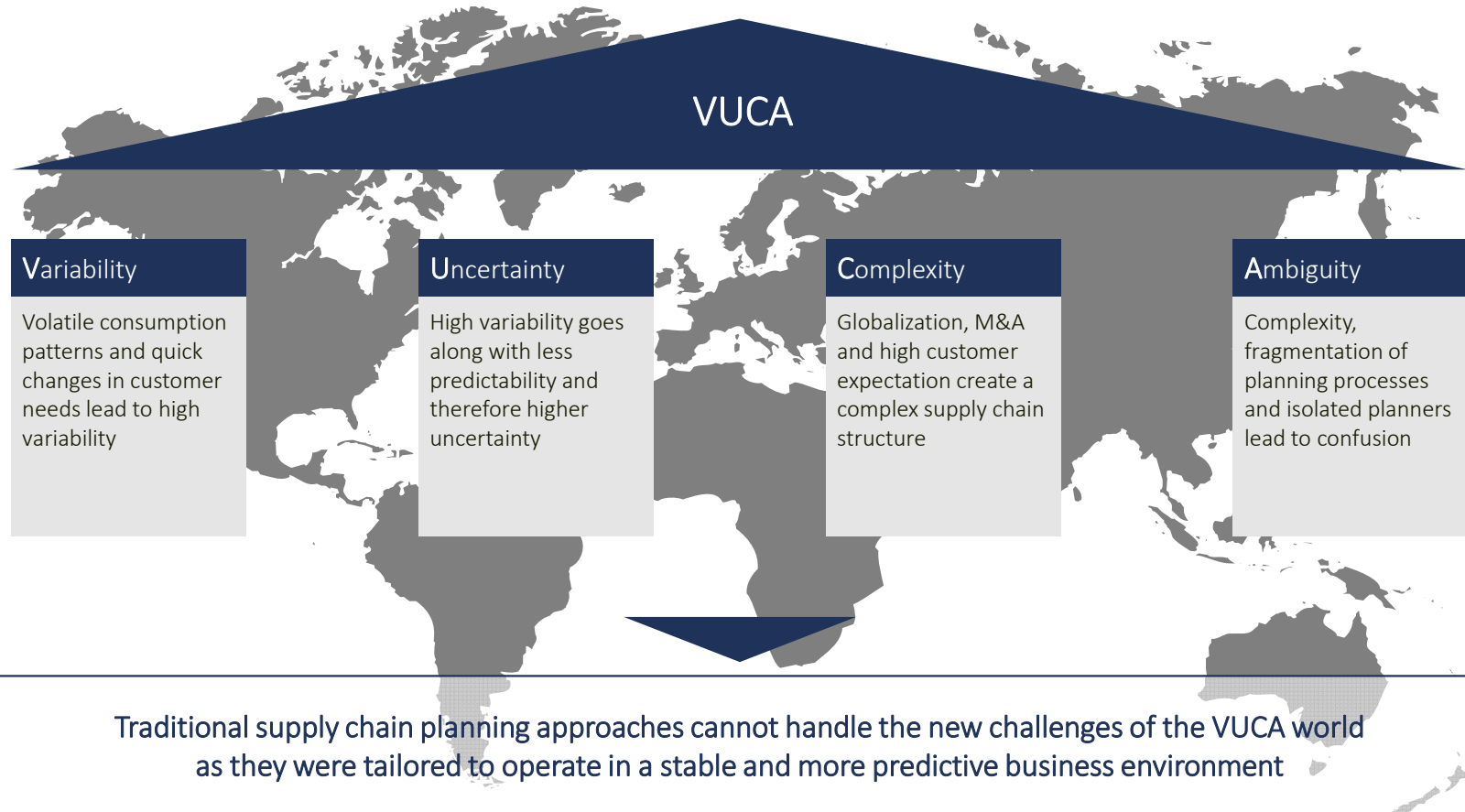


... MAINSTREAM!

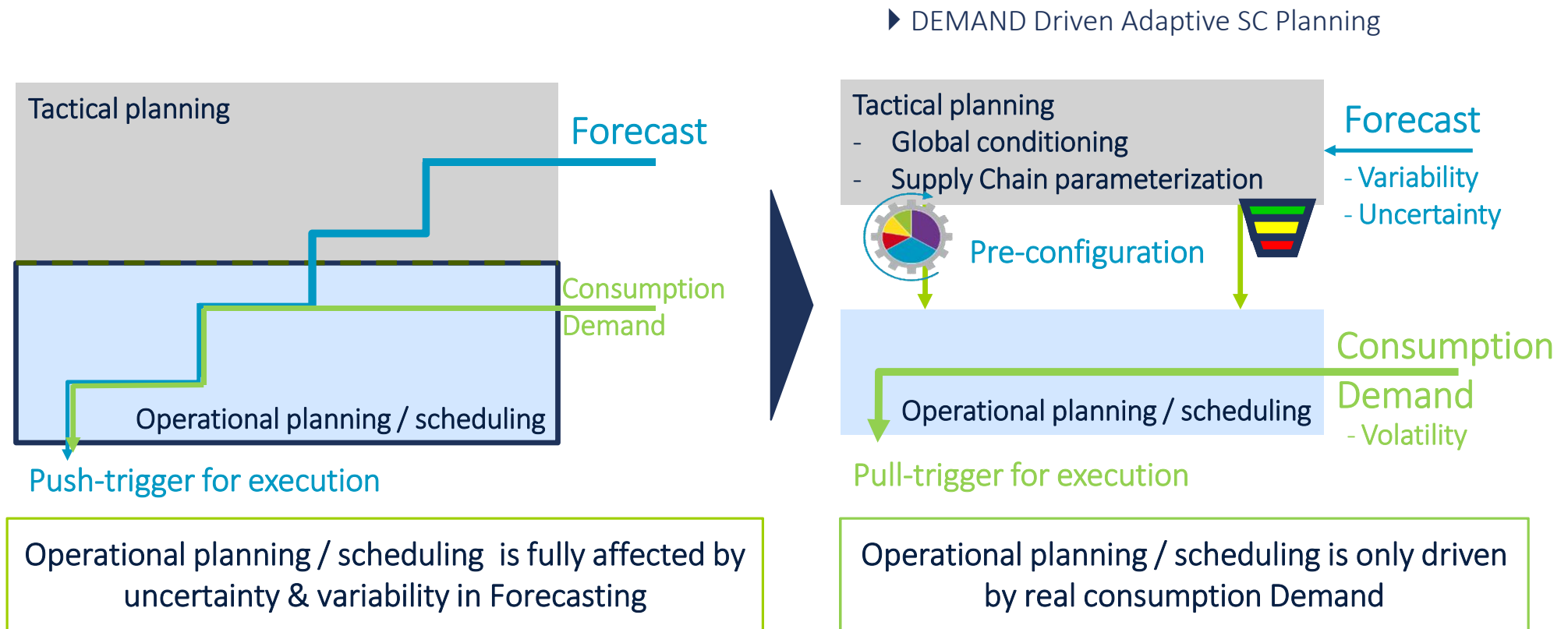
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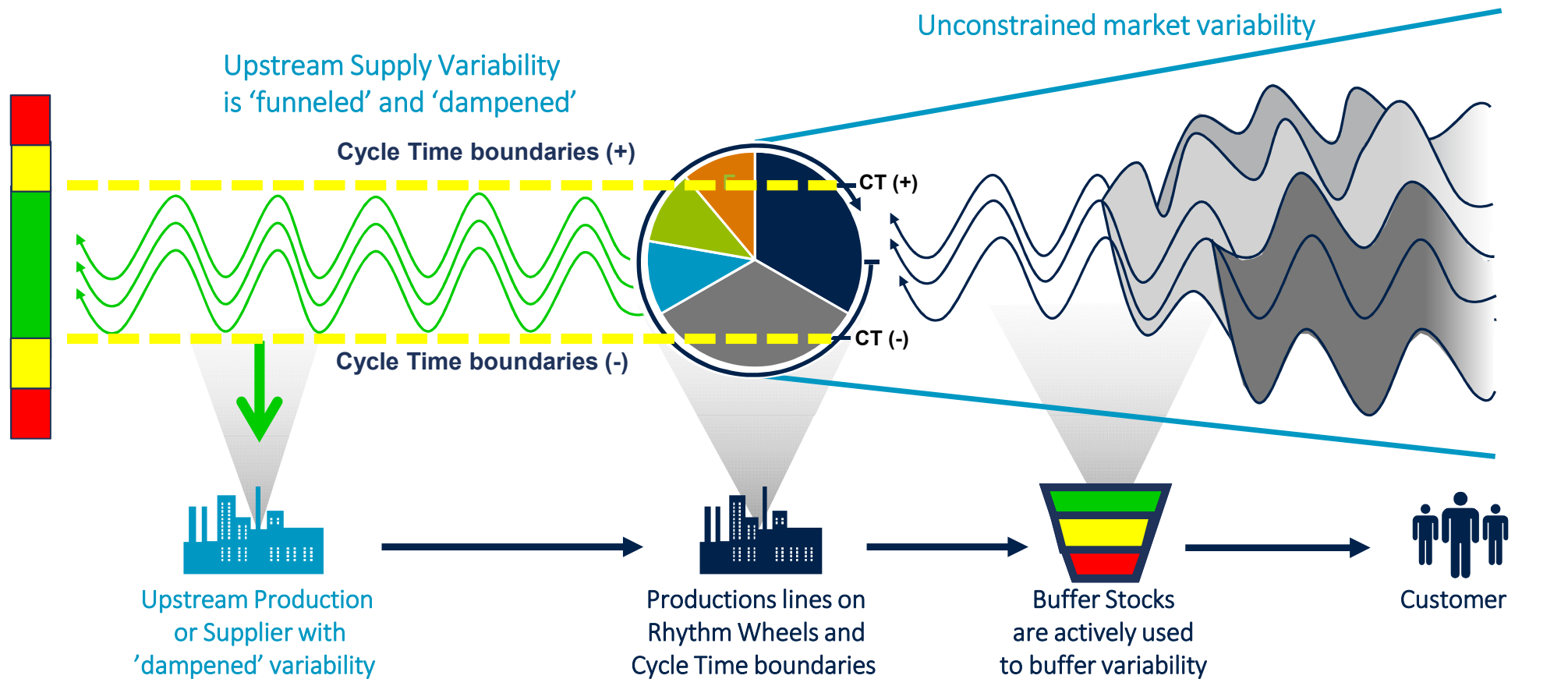
The “VUCA” world describes today’s supply chain challenges that need to be addressed differently



The Demand Driven Operating Model separates tactical configuration from operational planning in Supply Chain Planning



Demand Driven & LEAN Adaptive Supply Chain Planning allows active funneling and dampening of upstream variability by using Buffer Stocks & Cycle Time boundaries

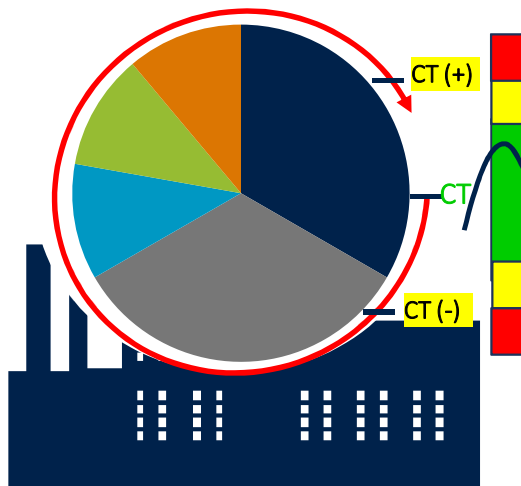


The Demand Driven Operating Model – Variability is leveled actively on both sides: designed capacity buffers and configured buffer stocks

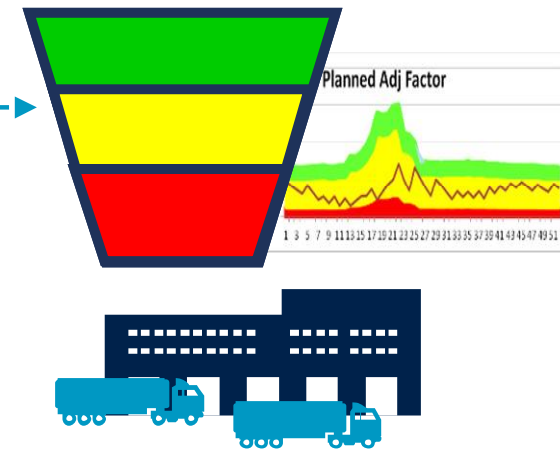
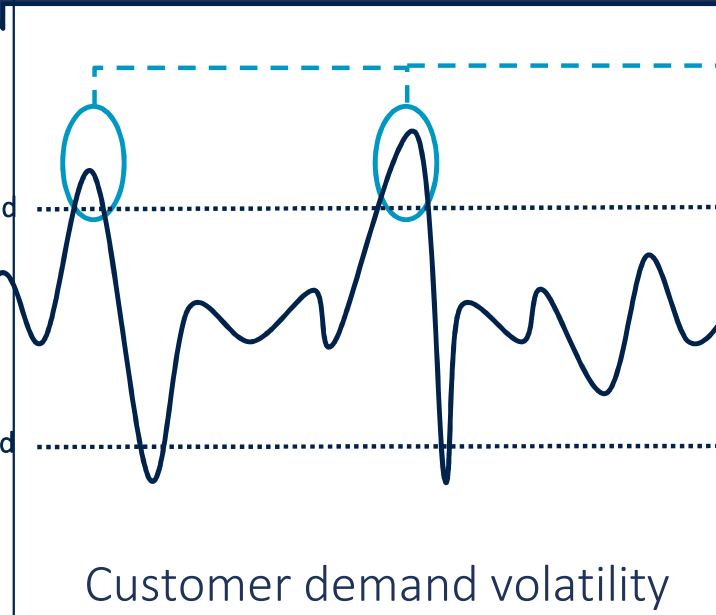
Through LEAN adaptive Cycle Times (CT)
and with (CT+ and CT-) boundaries
for E2E Supply Chain Synchronization



Through dynamic
buffer stock adjustments
(buffering in planning)



Manufacturing assets
Rhythm Wheel managed

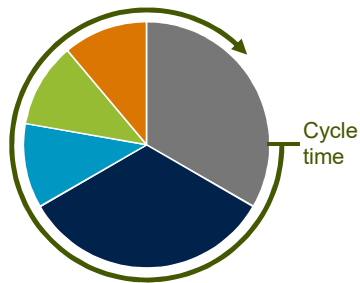


Inventory stock keeping units (SKU)

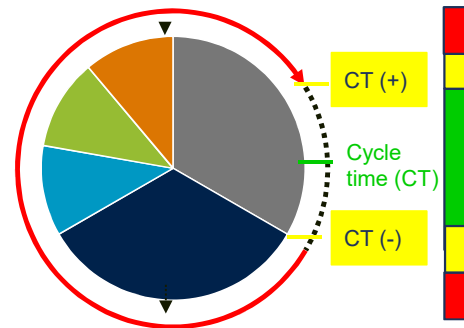


DEMAND Driven & LEAN Adaptive Planning expands the concepts of product wheels to *Breathing & High-Mix Rhythm Wheels* with Cycle Time boundaries

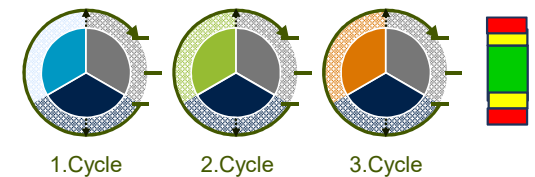
From Product Wheels...



to Breathing Rhythm Wheel...



and High-Mix Rhythm Wheel



Classic RW

- ▶ Repetitive fix sequence
- ▶ Fix quantities
- ▶ Every product every cycle

Breathing RW

- ▶ Repetitive fix sequence
- ▶ Flexible quantities
- ▶ Every product, every cycle

High-Mix RW

- ▶ Repetitive fix sequence
- ▶ Flexible quantities
- ▶ Not every product every cycle, skips intended by design

Demand Driven LEAN Supply Chain Planning – Variability and uncertainty is set pivotal in planning and is now buffered with a two-sided approach

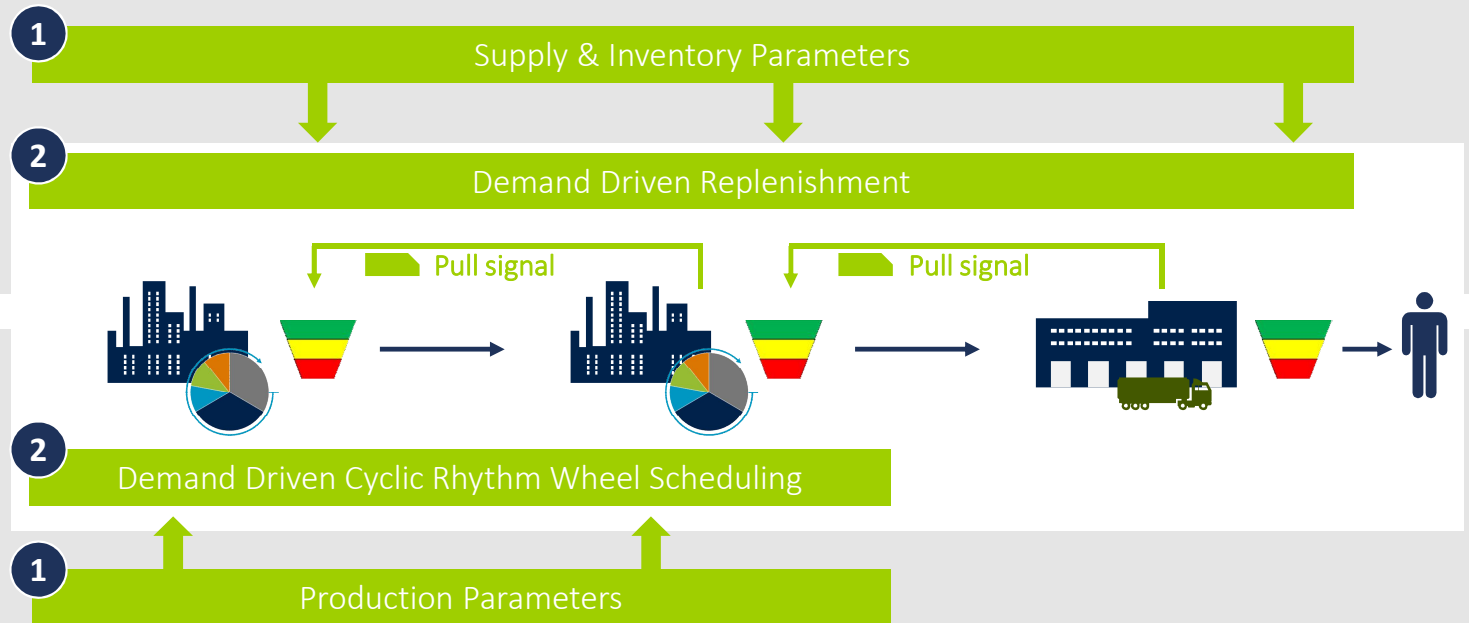


Demand Driven
Supply & Inventory
Planning (DDSIP)

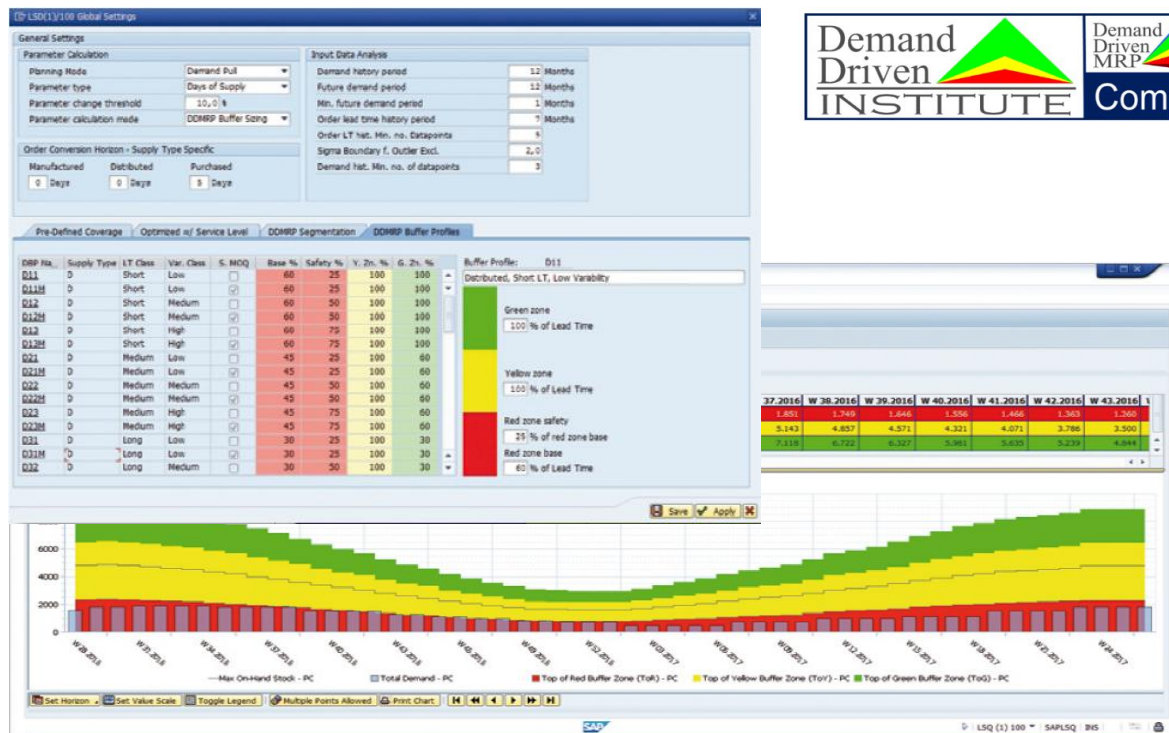


Demand Driven
Rhythm Wheel
Planning (DDRWP)

- 1 Supply chain configuration: End to End synchronization of planning parameters
- 2 Demand Driven Replenishment and production planning



Demand Driven MRP (DDMRP)



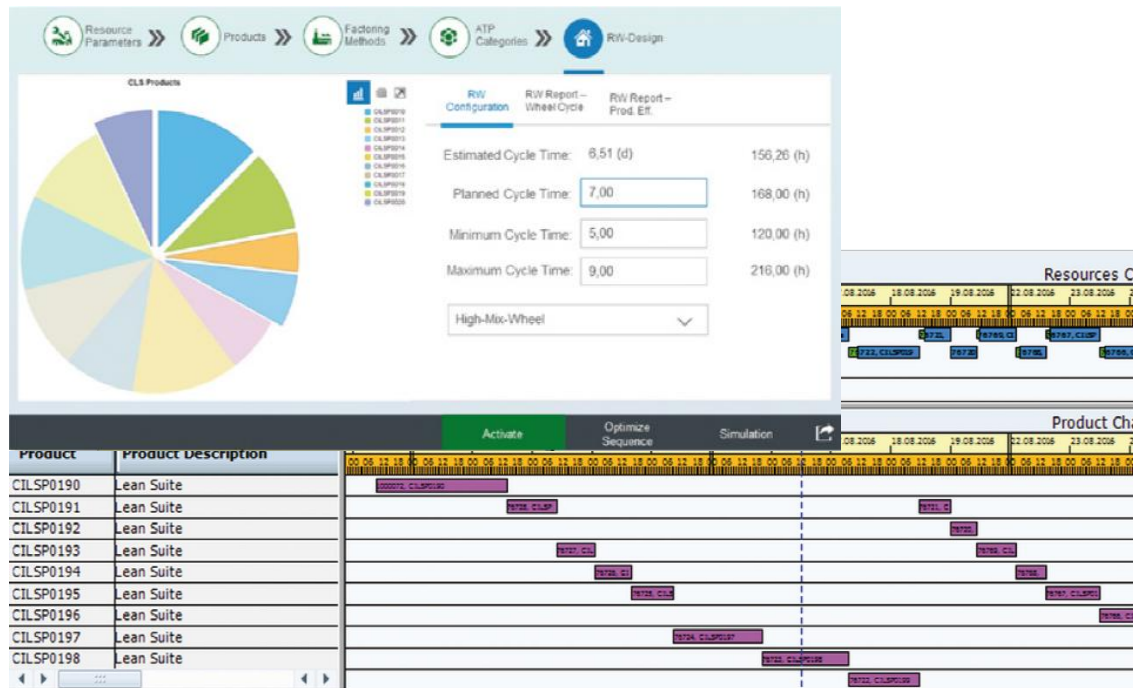
Camelot LEAN Suite helps you with the DDMRP for SAP component to actively buffer planning uncertainty in inventory and create only demand pull replenishment signals to reduce variability propagation into supply chain and production.

Key Benefits:

- ▶ Optimized stock buffer placement
- ▶ Decoupled lead times for demand driven planning
- ▶ Precisely calculated DDMRP buffers and zone values
- ▶ Dynamically altering buffers for planned or anticipated events
- ▶ DDMRP Net Flow equation including qualification of sales order demand
- ▶ Easy prioritization and supply order generation based on Net Flow status



Demand Driven Rhythm Wheel Planning (DDRWP)



Camelot LEAN Suite will enable you with the **DDRWP for SAP component** to adopt cyclic scheduling and reduce planning complexity in your processes, organization and systems though a patented new concept of the “Breathing-High-Mix Rhythm Wheel”.

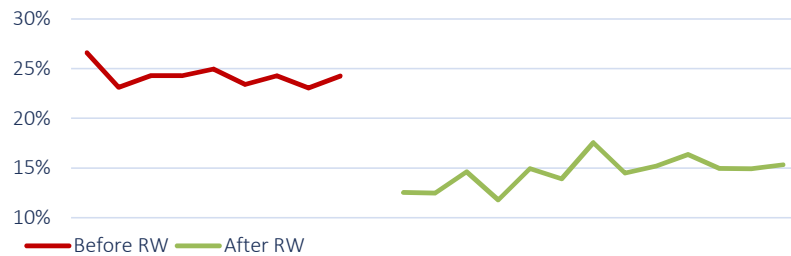
Key Benefits:

- ▶ Optimized production sequences and cycle times
- ▶ Reduced lead time fluctuations
- ▶ Funneled variability
- ▶ Minimized bullwhip effect
- ▶ Balanced inventory, service levels and leveled capacity

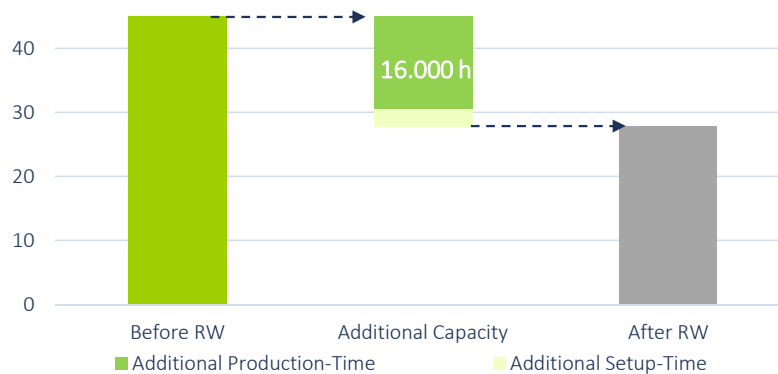
40% reduction of change over

The Rhythm Wheel frees up capacity and enables an output increase

Monthly setup ratio reduced [%]



Additional production time generated [1000 h]¹⁾

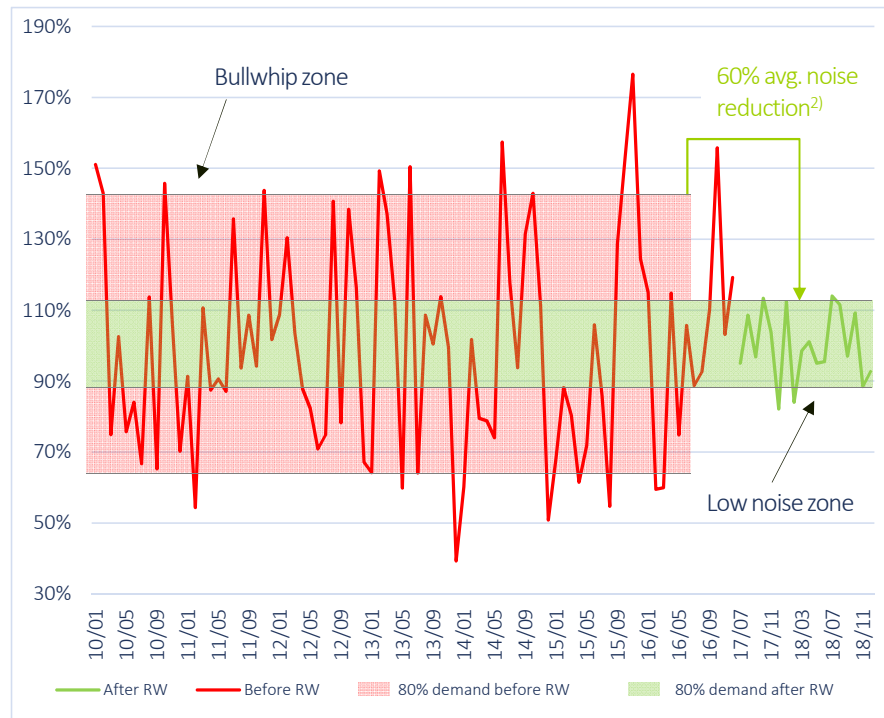


- ▶ Reduction of average Setup ratio by 40% for FDF packaging
- ▶ Free capacity of 16.000h/ year through Flow-oriented setup sequence
- ▶ Output increase of >36 million PC/ year
- ▶ Freed up capacity leads to additional 240 Mio USD sales generation⁴⁾

60% noise reduction in bulk

The Rhythm Wheel on pack level smoothens the demand in bulk

Variability reduction on bulk level [% of avg monthly demand per year]¹⁾



- ▶ 60% avg. reduction of monthly demand variability for bulk resources
- ▶ Optimized capacity planning based on smoothed bulk demands
- ▶ Reduced hectic within the operational horizon

DDMRP Available NOW with IBP

Co-Innovation SAP SE & CAMELOT

DDMRP - A new supply chain planning paradigm

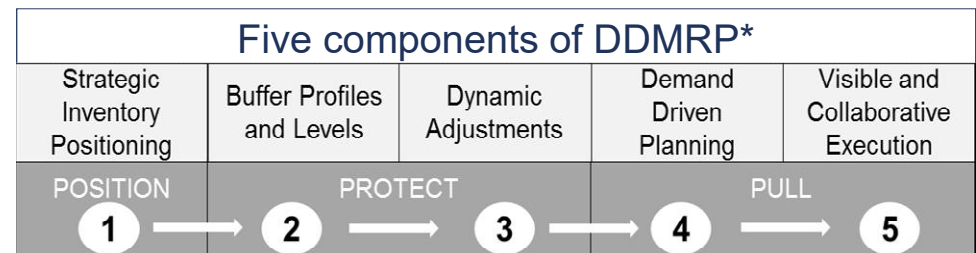
- DDMRP addresses the challenges of **volatility** and **complexity** in supply chain planning
- DDMRP promotes the **flow** of relevant information and materials, **strategic** supply chain **decoupling** and **consumption-based** planning

DDMRP – Based on SAP Cloud Platform and IBP

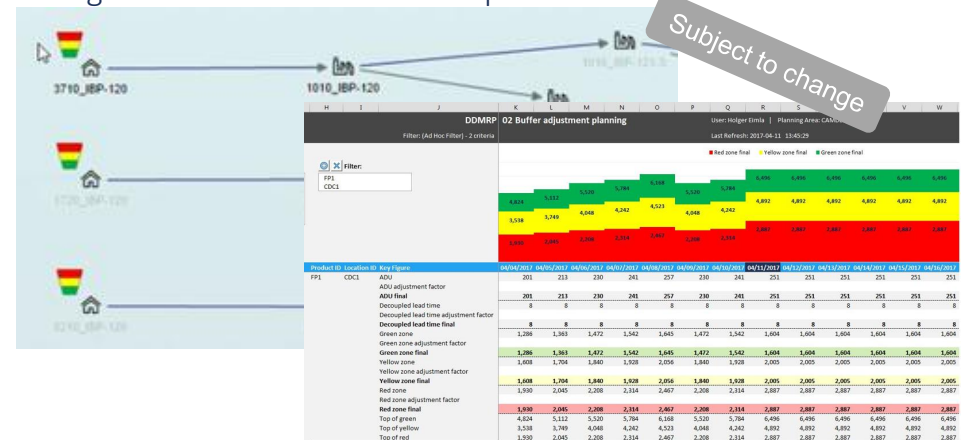
- ...extends SAP IBP for DDMRP
- ...integrates seamlessly into SAP IBP
- ...can be flexibly connected SAP ECC and S/4 HANA (using released existing standard interfaces)
- ...enables customers to start DDMRP today with SAP
- ...full compliance and certification with SAP and DDI(**)



(**) Definition of Demand Driven Institute (**) in process



Using SAP Cloud Platform for step 1 & 2



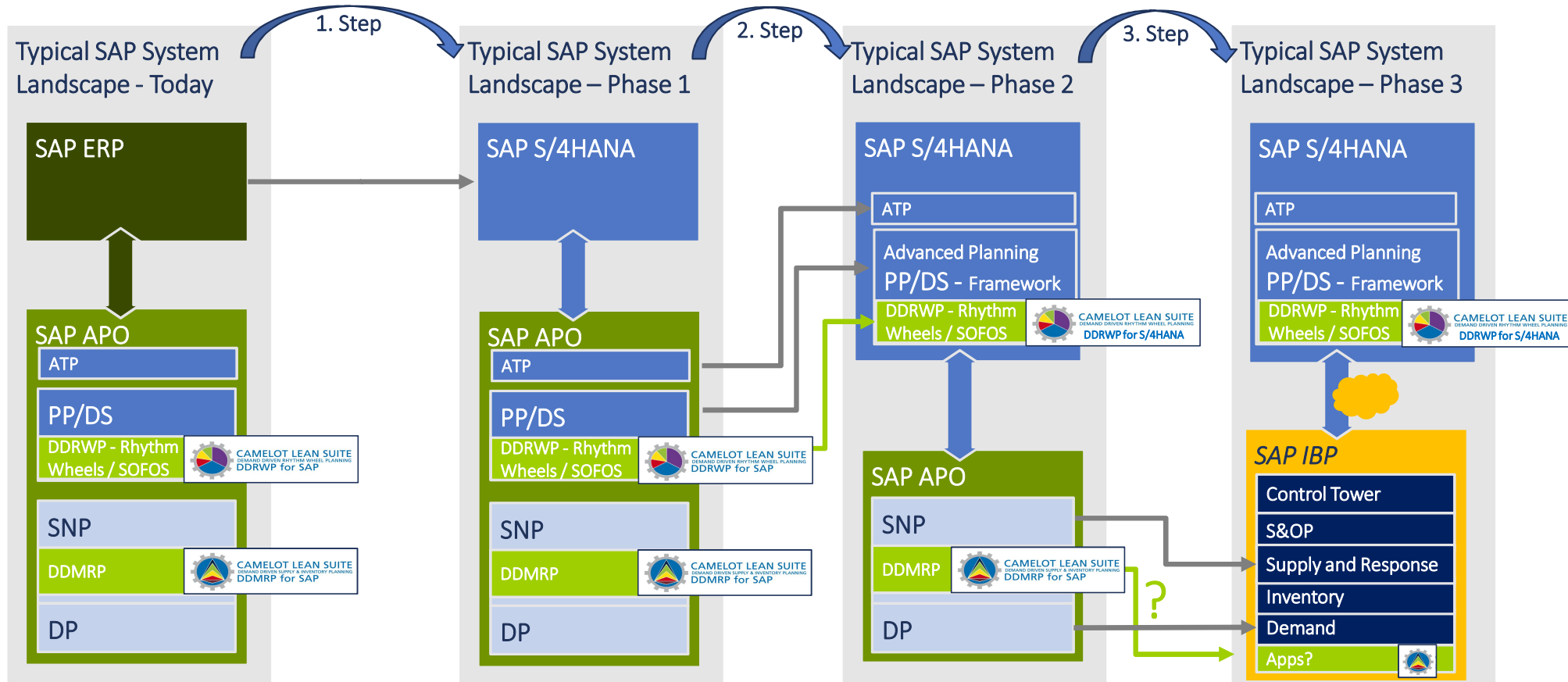
Leveraging SAP IBP for step 3-5



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Moving your SAP ERP & SCM investments into the Demand Driven World – A conversion roadmap



How CAMELOT is supporting Demand-Driven Adaptive Enterprise transformations?



Come and visit us in the foyer!

Who we are



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