

# FMCG Manufacturing: - S&OP Delivery & Service Improvement

## Background

- Company had acquired 2 major businesses and had to grip S&OP process in order to plan factory consolidation programme
- Historically weak demand planning processes in one company and poor supply planning in another

## The Issues

- 13 factories to close out of 23 in 9 months meant very challenging time plan
- As part of project 70 separate production lines to move with significant start up risk involved for each
- Historically weak demand & supply planning processes – some sites had not previously published a rough cut capacity plan

## Actions Taken

- Each individual line move became a separate project that worked within an overall factory consolidation project governance
- Within each project scope
  - ↳ Transferring site engineering works
  - ↳ Stock build programme
  - ↳ Receiving site engineering project
  - ↳ Line start up activities
  - ↳ HR (redundancy & recruitment activity)
- Established monthly S&OP review to focus on key issues of each cycle
  - ↳ Pre reviews run with each site to determine focus issues
  - ↳ Focus issues prepared 1 page summary according to agreed template to show demand, supply & stock plan based on 3 supply scenarios (base, upper, lower)
  - ↳ S&OP review considered each and efficiently agreed management actions to deal with any shortfalls/manage key risks

## Results

- £70m factory consolidation programme completed to time & budget
- Within which serious start up risks mitigated and operational issues overcome
- Overall service improved from 98%>99%
- S&OP process had grip at all time through life of project and was firm foundation for more routine S&OP discussions post consolidation programme