

Improved planning
saves millions in costs
for leading health
supplement supplier

CUSTOMER
Health Supplement Supplier

LOCATION
Australia

INDUSTRY
Manufacturing





Challenge

- Existing integrated business planning (IBP) procedures were labour-intensive and too time-consuming
- Reliance on spreadsheets and manual processes
- Long and disconnected planning cycle, well beyond industry best practice



Solution

- Oracle Supply Chain Planning Cloud
 - Demand Management
 - Sales & Operations Planning
 - Supply Planning



Results

- Cost reductions and greater forecast accuracy
- Faster planning cycle with better visibility and collaboration between stakeholders
- Improved alignment between demand and supply
- Enhanced customer service delivery



Improved planning saves millions in costs for leading health supplement supplier

This leading supplier of health and wellbeing supplements manufactures and sells a range of quality vitamin and mineral products. Headquartered in Australia, the company operates across Asia Pacific employing more than 1,200 people.

The primary objective for the company was to enhance their visibility across the organisation by aligning supply chain, financial and operations processes and consolidate their planning capabilities into a modern, single hub.

The company struggled with manual business planning processes which regularly resulted in out-of-stock and delayed supply issues. Existing planning procedures were labour-intensive and time-consuming resulting in a six to eight-week planning cycle that was well beyond the four-week industry best practice. Getting supply and demand right was challenging, and with the onset of COVID, that became even harder to manage.

Siloed data a significant issue

Using legacy systems to execute planning, the company relied heavily on spreadsheets. Preparing for a planning meeting involved collecting and consolidating spreadsheets from its Asian markets for the demand side, and consolidating data from its ERP system for supply-side information, to stitch together a report with a consistent

format. Nothing was connected in the right way, and the process was very taxing.

The company recognised that it had to connect the business to enable better decision-making. To improve the agility and speed of the planning cycle, information needed to be accessible in a standard way and collaboration across the different operations was required.

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Moving to the cloud

With a significant Oracle presence in its IT environment, the manufacturer selected Oracle Supply Chain Planning Cloud as it struck the right balance



DXC's proven expertise in implementing and configuring Oracle Supply Chain Planning Cloud enabled the company's IT team to focus on its core manufacturing mission.

between the company's technology and business requirements and offered the functionality the heads of demand and supply planning required.

The company opted for a phased approach for the delivery of Demand Management, Supply Planning and Sales & Operations Planning as part of their integrated business planning (IBP) implementation to enable the standardisation of best practice.

Oracle Supply Chain Planning Cloud combines sales and operations planning with advanced technologies to monitor real-time planning execution. It detects future improvement opportunities, minimising the business value lost by traditional processes where IBP and execution are siloed.

Moving the technology to the cloud was a logical step, and the subscription model appealed to the supplement supplier's desire to meet industry best practice.

Not being an IT business, to ensure the planning team obtained the capability it needed without having to incur the costs of hiring programmers to customise the solution, the manufacturer opted to outsource its IT management to a service provider.

As a trusted long-term technology partner of the organisation, DXC Technology was selected as system implementer. With extensive knowledge of the company's IT requirements, and as the largest independent provider of Oracle consulting and managed services in Australia and New Zealand, DXC demonstrated its competency to support the company on its migration to the cloud.

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Ensuring a smooth deployment

DXC knew the new applications would integrate seamlessly, however to ensure connectivity and integration with the manufacturer's existing Oracle Cloud ERP system and on-premises Oracle JD Edwards solution, it was vital to migrate the data correctly.

With different information feeds for every market and multiple markets, and sales data by unit measure and by dollar amounts to accommodate, the project team had to ensure around 70 feeds were integrated and supplying data in the correct format. There was a lot of groundwork in understanding what was coming in and ensuring it was cleansed for correct ingestion into the new system.

Using a collaborative approach, the manufacturer prepared the data for export and DXC explained how it had to be fed into the system to ensure the data requirements were met. A smooth deployment was vital to the project's success. The company came to realise that the project was 90 per cent about the data and 10 per cent about implementing the Oracle apps.

One of the takeaways from the project was underestimating the change management involved with implementing IBP and how, what

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— **Integrated business planning director**, health supplement supplier

seemed like a relatively simple system implementation, broadly impacted other business users. Some of the markets were nervous about the change. They wanted to know how the models worked. Many others were just happy simply because they no longer had to use spreadsheets. To overcome the reticence with demand side planning, the company had to work across all its markets to help them understand the benefits they would get from the tools.

Saving millions with new planning process

The supplement manufacturer is already reaping significant cost reductions and improved planning forecast accuracy thanks to the deployment of Oracle Supply Chain Planning Cloud.

The applications working in unison give the company's essential planning processes a firmer technological and statistical foundation, helping it better align its demand, supply and sales operations, resulting in improved customer service delivery. Key to

success was a laser-focused effort to ensure the correct data was available for ingestion into the planning system.

The company's integrated business planning director says the planning process has matured rapidly thanks to the new technology. “Demand planning is always part art and part science, but we used to rely on too much intelligent guesswork. Now we can view that intuition through a more sophisticated technological lens. Thanks to the new applications, our planning is underpinned by solid statistical modelling.”

Improved forecast accuracy and avoiding lost sales were two critical benefits tabled in the original business case. The company is well along the path to achieving and exceeding these metrics.

The integrated business planning director continued, “We set out to eliminate avoidable supply chain costs, and already our new planning process has resulted in us taking millions of dollars out of our air freight costs.”



The health supplement supplier selected Oracle Supply Chain Planning Cloud as it struck the right balance between technology and business requirements.

"In one year, we have doubled our forecast accuracy measured in volume per month by SKU across Asia. We can see a clear trajectory of improvement simply because we have embedded a more consistent and robust planning process."

— **Integrated business planning director**, health supplement supplier

The company has also vastly improved its out-of-stock occurrences. "Several years ago, that was a critical issue. But now, thanks to Oracle Supply Chain Planning Cloud, we are getting the balance between inventory and sales right.

"In one year, we have doubled our forecast accuracy measured in volume per month by SKU across Asia. We can see a clear trajectory of improvement

simply because we have embedded a more consistent and robust planning process.

"In conjunction with DXC, we are maturing our approach. Now that we have the basics covered, we're testing out the more sophisticated parts of the system."

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