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Orchestr<sup>8</sup>



# A fresh approach to Inventory and Supply Planning



- Demand-driven solution puts S&OP in the driver's seat
  - Sets planning parameters that segment inventory and resolve constraints
  - Then flexibly executes production within those ground rules
- Founded in 2002, headquartered in UK
- Multi-lingual, multi-cultural solutions used around the globe
  - Consumer goods
  - Food
  - Electronics
  - Industrial products
  - Pharmaceutical
- Low cost, SaaS approach is implemented in weeks and delivers epic change in supply chain performance
- Certified compliant by Demand-Driven Institute

# Agenda

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- PZ Cussons – who we are
- Supply Planning Journey
  - Thailand
  - Gold
  - UK
- Focus on UK project and results

# PZ Cussons PLC



- Operating in 14 countries covering Europe, Africa and Asia
- Diverse global markets
- Over 11,000 people worldwide
- UK Business 200 employees



# Categories and Key Brands

## Baby Care

Cussons  
baby

Cussons  
first years

## Personal Care

Cussons  
Carex

CAROL  
IMPERIAL  
LEATHER

ORIGINAL  
SOURCE

ROBB  
Well Being

Mild & Gentle  
premier  
TOILET SOAP

LUKSJA

## Beauty

ST.TROPEZ

CW  
CHARLES  
WORTHINGTON  
LONDON



SANCTUARY  
SPA COVENT GARDEN

FUDGE

## Home Care

MORNING  
FRESH

Radiant

ZIP

E

Cussons  
USHINDI  
Gentle Multi Purpose Soap

DUCK

## Food & Nutrition



Benecol

χωρίο

yo

Olympic

Nunu

## Electrical Goods

Haier  
THERMOCOOL  
..part of your life

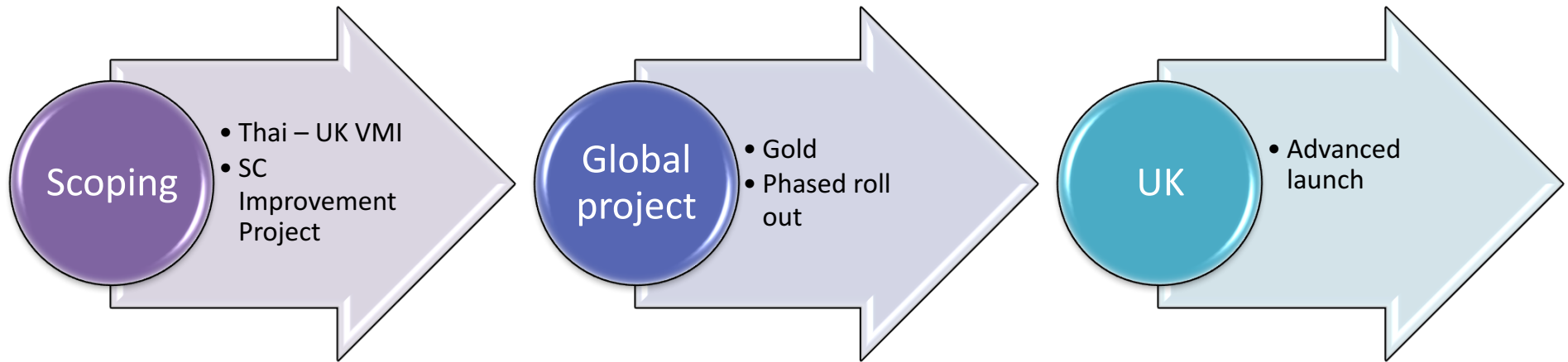
T E C  
THERMOCOOL  
ENGINEERING COMPANY

# ICL Factory



- Built in Jan 2008 ICL Factory is part of the PZCussons Innovation Centre – A global flagship Personal Wash site with R&D & Perfumery (Seven Scents Ltd)
- Key brands manufactured at ICL
  - Imperial Leather – Top UK Shower brand
  - Carex – UK's no 1 and favourite Hand Wash brand
  - Original Source – UK's funkiest Personal Wash brand
  - Morning Fresh washing up liquid

# PZC & Orchestr8



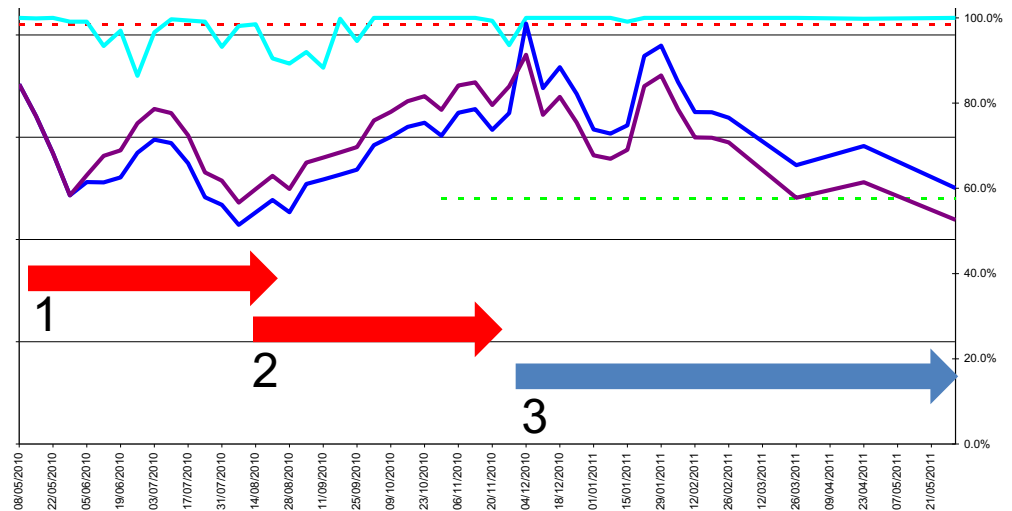
# Thailand – UK VMI

- Thai SC improvement programme May 2009
- Key Objectives
  - Reduce UK stock £500k within 6 months of go live.
  - Establish a process model for Supply of finished goods from one OU to another – This will be Demand Driven VMI for most items and push for promotional or NPD items.
  - Reduce UK involvement in the planning of the Thai Supply Chain
  - Stream line Invoicing and booking in process
  - Reduce volatility in the Thai factory
- O8 selected to support delivery.

# Thailand – UK VMI

- O8 system installed in Thailand in the summer of 2010
- The planning parameters changed to VMI in November 2010
- O8 system influenced stock levels in the UK from January 2011
- Customer Service levels increased
- Automated booking in and invoice matching process.

	Cases 000s	Pallets	Value %	Weeks Stock
Jan 11	337	2,965	100%	5.6
May 11	181	1,797	65%	4.3
Var	-155	-1,168	-35%	-1.3

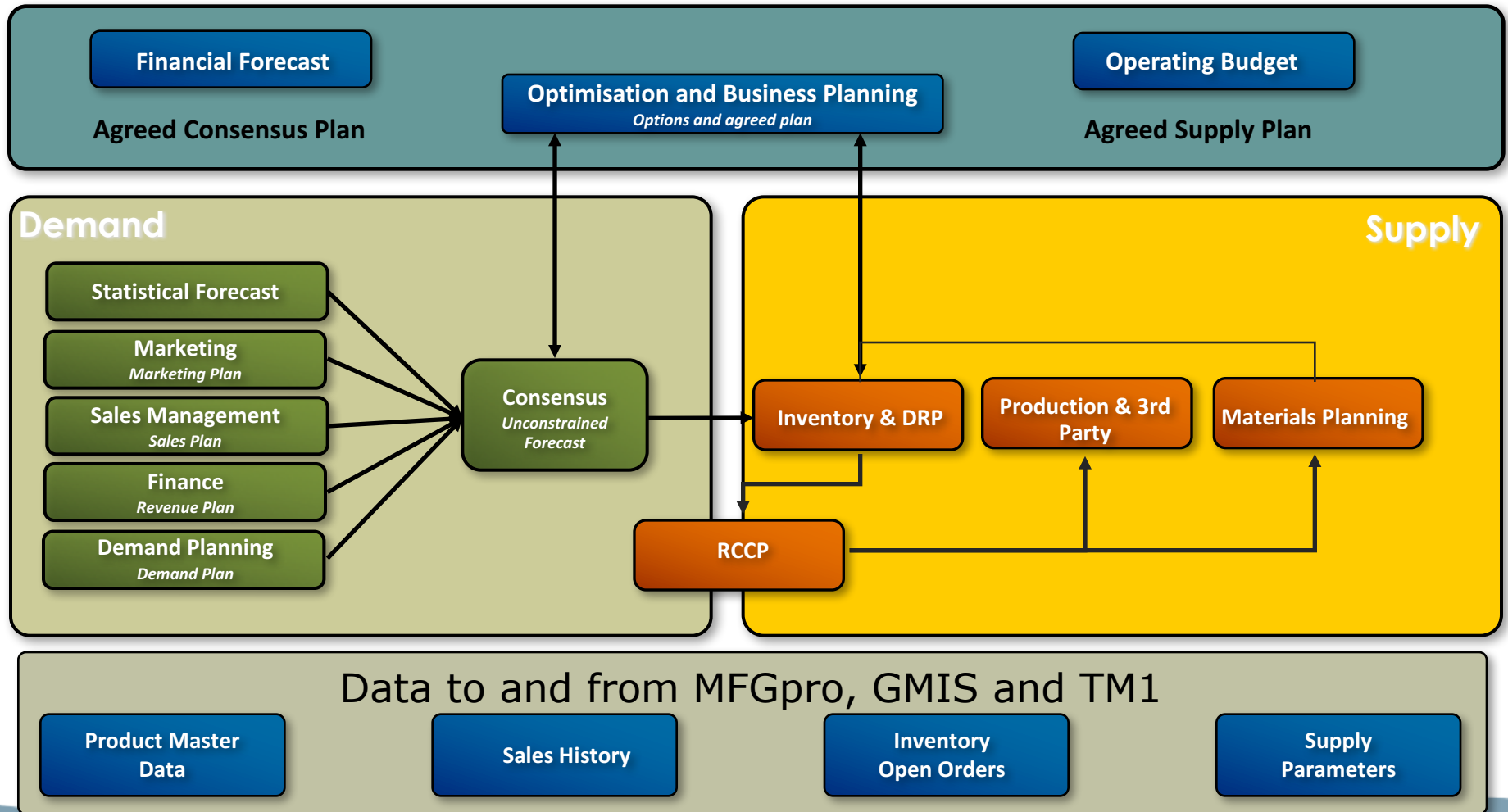


1. Stock reduced to target using standard internal safety stock optimisation led to decreased service levels
2. Stock levels returned to original level to solve service issues
3. O8 implemented: Service remains high whilst stock levels drop

# Project Gold

- Objective – To deliver a holistic, optimised, standardised Business Planning solution to all OUs within **3** years (by end FY14)
- By creating solution toolkits for
  - People and Process
  - Applications (Supply and Demand Planning)
- A Programme delivered by working with local teams on an OU by OU basis, providing a structured journey.

# Business Planning Solution





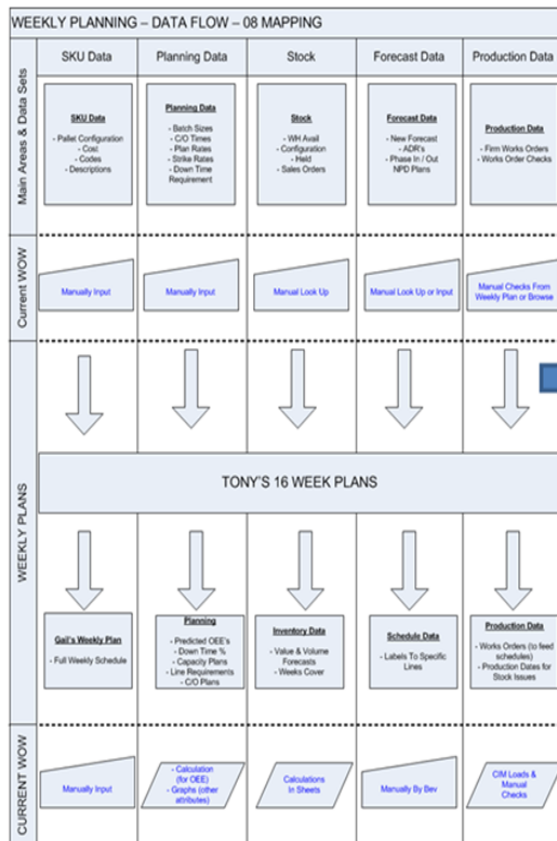
# UK Objectives



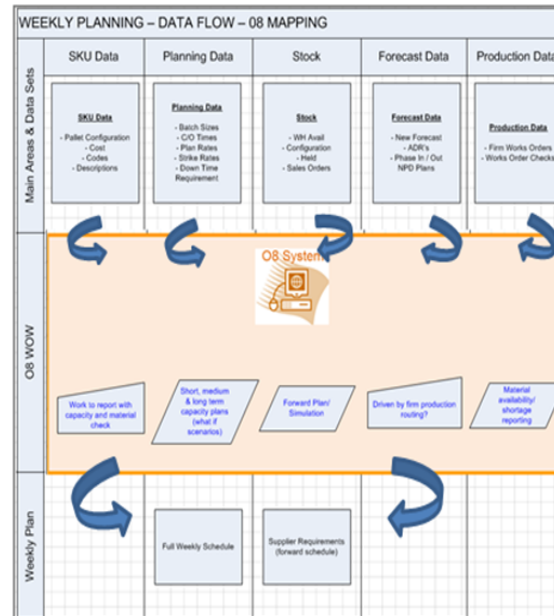
- Integrated 'systems' solution for FG planning
- Target 10% reduction in FG inventory
- Maintenance of customer service levels >98.5%
- More stable production plan
- Capacity Planning
- Reduction in obsolescence



# UK O8 Implementation



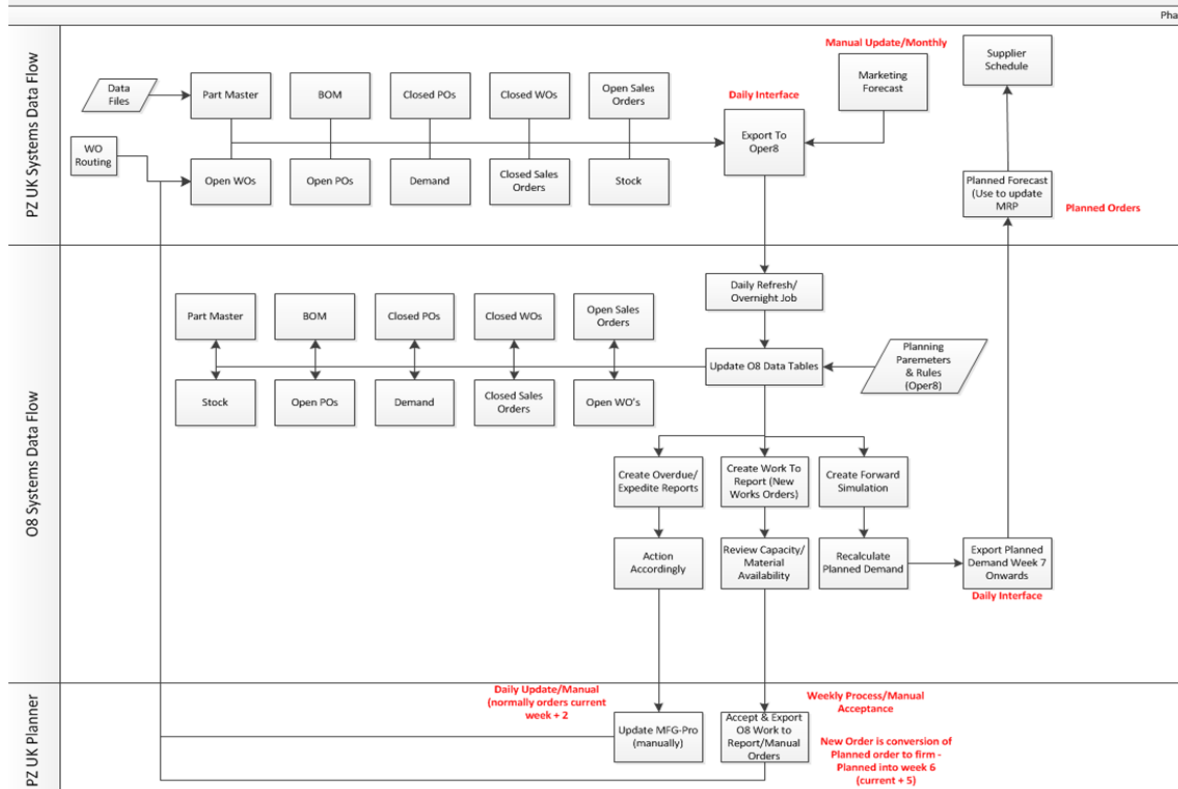
Approval process (Sept 2012)



Benefits Case & Costs  
Process Mapping  
Project Scope  
Resource Plan  
  
Simulated Plans

# UK O8 Implementation

PZ Cussons UK FG Planning: Data Flow



Interface Mapping  
System Set Up  
Testing  
Master Data Update

Data Mapping & UAT (Oct 12 – Feb 13)

# UK 08 Implementation

# User guide / training manual

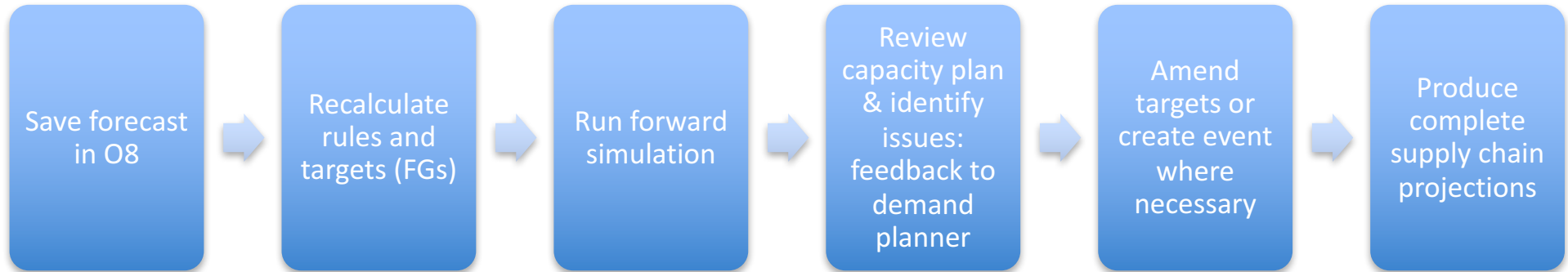
# Team Training

Go Live (aligned with planning cycle)

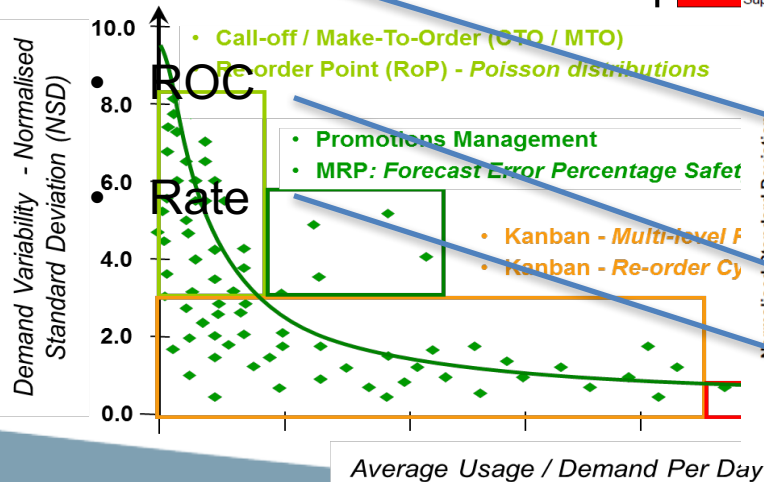


## Training & Go Live (Feb 13 – Mar 13)

# Monthly process sets up the supply chain



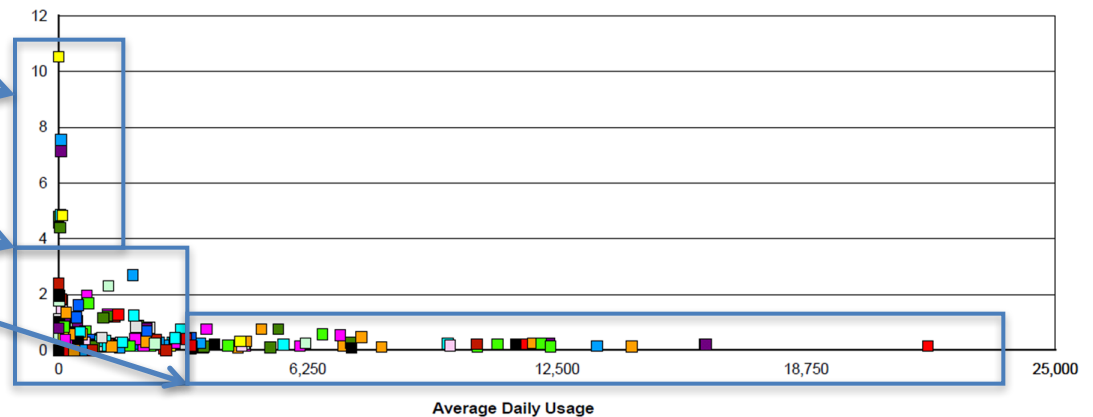
## • MTO



Target	
Inventory	
	Green Kanbans – Be Aware & Build
	Wednesday, 3 April, 2013
	Date Calculated Monday, 1 April, 2013
	Supplier Code L UK Factory

Volume - Variability Analysis  
by Supplier

O.8.



# Inventory & Operational Planning

- Daily work to report
- Checks both Material & Capacity availability
- Contains requirements of items which have fallen below the re-order point within the inventory target
- Orders generated at leadtime
- Shortages will be identified
- Shortages and Excess identified

**Work-to..**

Planner Code:   
 Supplier Code:  All Supplier Codes Selected  
 Product Family:   
 Part Type Code:  All Part Type Codes Selected  
 Part Number:  All Items Selected ☐ Show Exported Orders

Create Work-to | Export Orders | Shipment Builder | **Work-to Report** | Visual Kanban Report | Excess Report

Accepted	Exported	Material Available	Capacity Available	Substitute Parts Available	Reference	Planner Code	Supplier Code	Part Number	Part Description	Rule	Part Status	Order Qty
<input type="checkbox"/>	<input type="checkbox"/>	No	No	No	BOOTS12101146	330	D14	INICE	BOT HDPE SILV	ROP	A	20200.00
<input type="checkbox"/>	<input type="checkbox"/>	No	No	No	BOOTS12101146	330	D14	INICE	BOT HDPE SILV	ROP	A	211200.00

**Edit Work-to..**

Reference:   
 Planner Code:   
 Customer Code:   
 Supplier Code:    
 Part Number:    
 ROP:   
 On Hand Qty:   
 Minimum Order Qty:   
 Multiple Order Qty:   
 Maximum Order Qty:   
 Original Order Qty:   
 Order Qty:  Value - 11504  
 Change Reason:   
 Excess Reason Code:   
 Print Order Comments  
 Order Comments

Supplier Contact:   
 Supplier Phone:   
 Total Inv Target:   
 Buffer Inventory:   
 Part Status:   
 Shortage Date / Qty:    
 MTO Delivery Day:   
 Original Receipt Date:   
 Planned Receipt Date:   
 Substute Part Available: ☐  
 Multi Sourced Part: ☐  
 Flagged Part: ☐  
 Kanbans:  Red  
  
  
 Accepted ☐ Export ☐

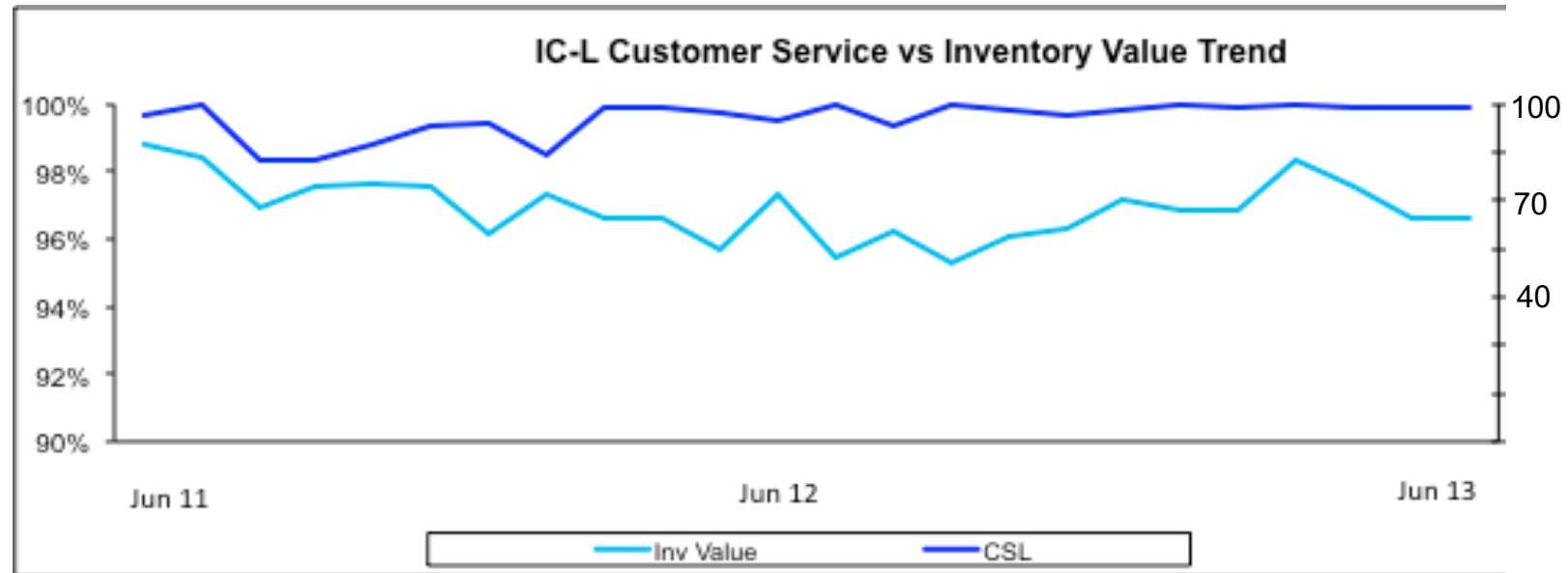
**Capacity Check..**

Part Number:    
 Material:    
 Machine:   
 Capacity:   
 Machine:   
 Substute Part Available: ☐  
 Multi Sourced Part: ☐  
 Flagged Part: ☐  
 Kanbans:  Red  
  
  
 Accepted ☐ Export ☐

**Material Availability..**

Part Number:    
 On Hand Qty:   
 Start Date Required:   
 Planned Receipt Date:   
 Substute Part Available: ☐  
 Multi Sourced Part: ☐  
 Flagged Part: ☐  
 Kanbans:  Red  
  
  
 Accepted ☐ Export ☐

# Impact - Summary



- 25 – 30% Inventory Reduction
- Service Improvement to 100%
- Less manual planning – more exceptional planning & challenging parameters.
- Stricter adherence to processes & master data maintenance
- More stable production plan with no change to operating process & parameters
- Opportunities to maximise NWC further
- Proven platform for Global roll out