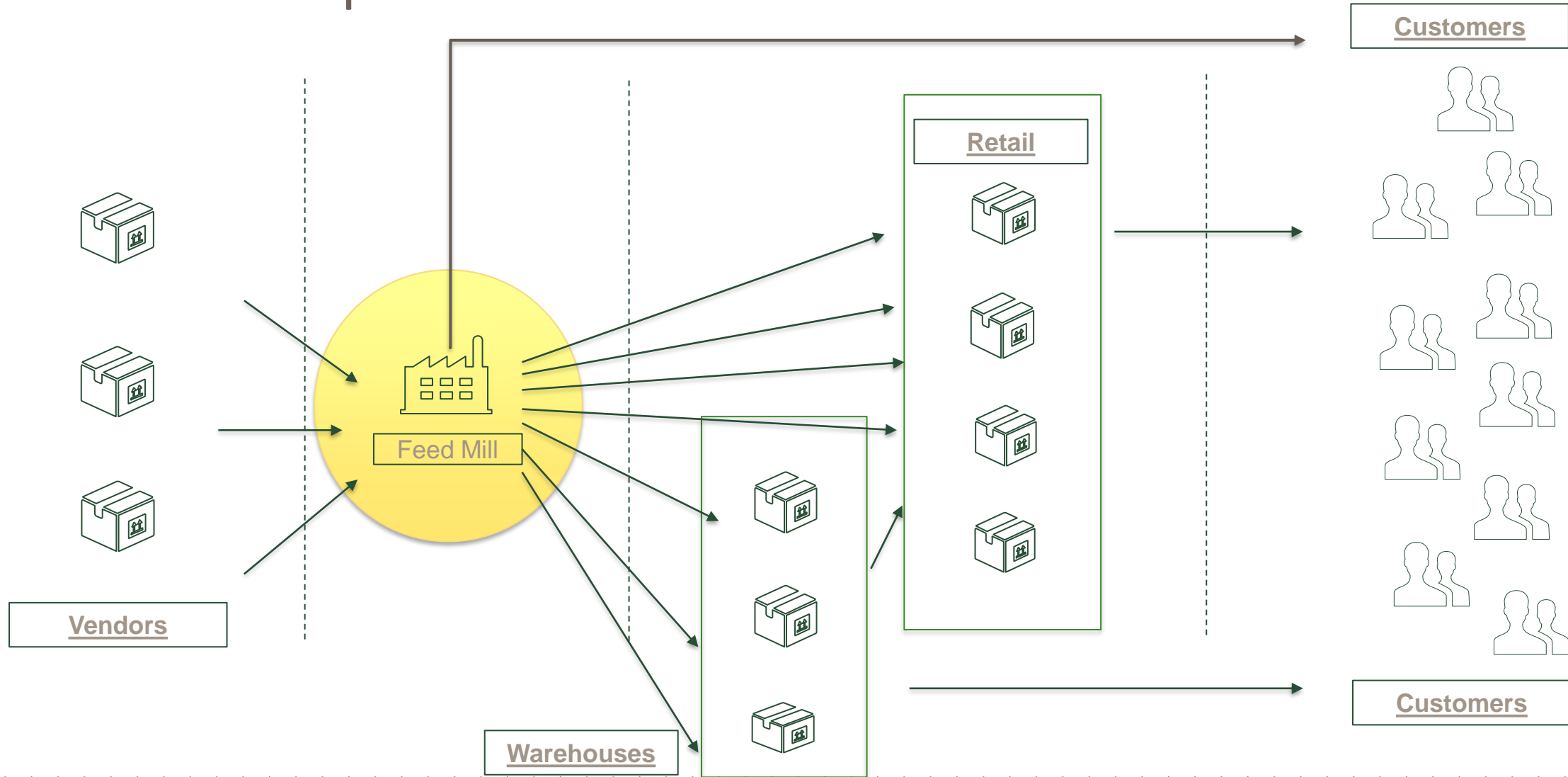




Simplot and SAP IBP (Western Stockman's)

IBP Demand Implementation

SWS SAP IBP Business Case: How do we optimize the Feed Mill?



Optimization - Forecast to Schedule Drivers

On time in full

Decisions Deferred

Product Spend by Category / Channel

Production Plan Adherence



Data Quality

Inventory Turns

Customer lifetime value

Stat vs Consensus Tracking

Forecast Bias

Obsolete Inventory

Open Issues Uncompleted

Capacity Utilization

Product lifetime value

Product Lifecycle Management

Forecast Error

Days' Supply

Demonstrated capacity as % of plan

Calendar Adherence

Total Inventory Value

Process Adherence

Margin %

The PPT Mindset

People

- Education and Investment
- Culturing a collaborative work environment
- Understanding the challenges of the business.
- Leadership support

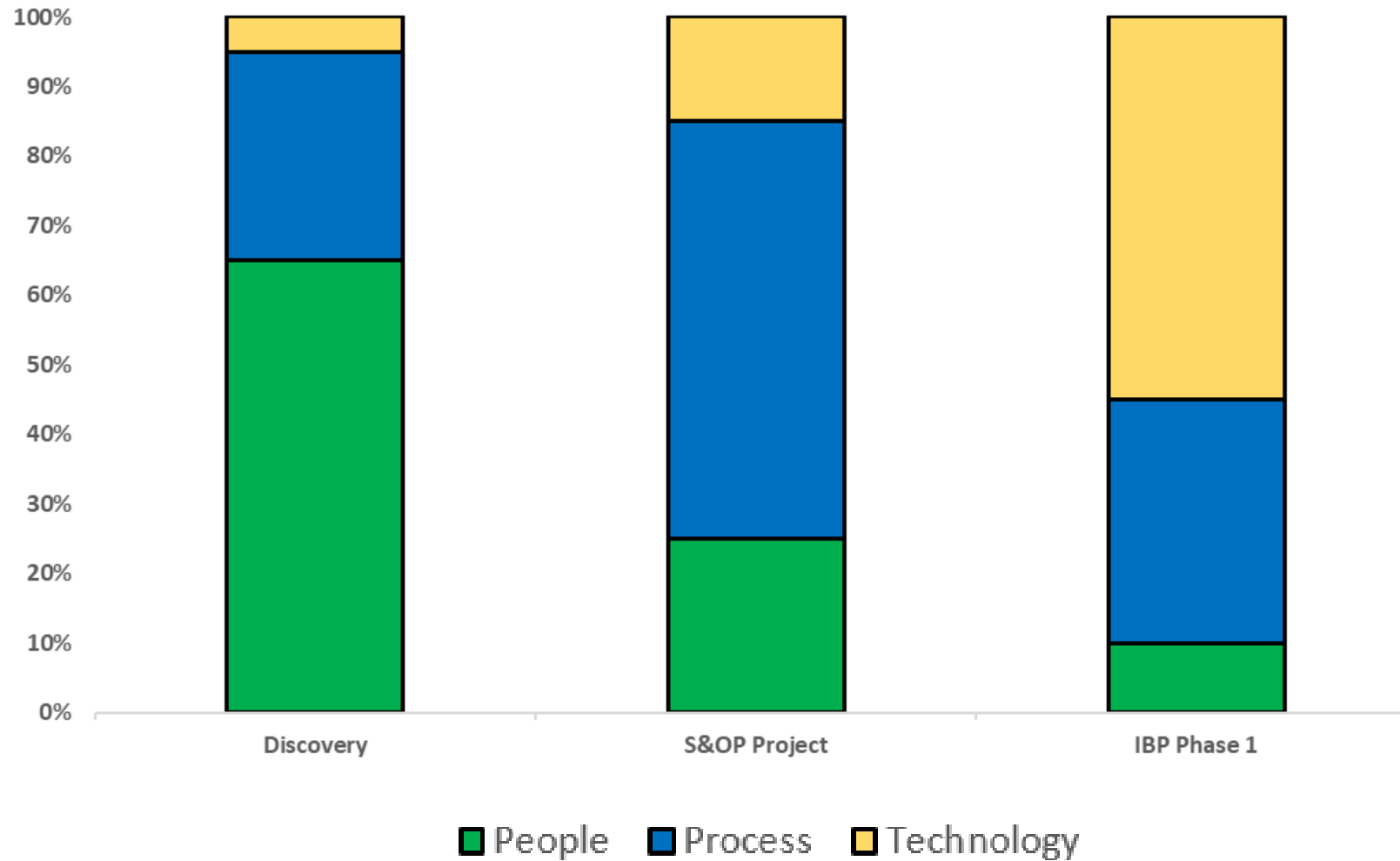
Process

- Building continuous and iterative processes
- Standardizing data and definitions
- Methodology to resolve conflict
- Structured to support the strategy

Technology

- Scalable
- Collaborative
- Self-Service
- Empowering and automating

Leveraging PPT within the S&OP Transformation



Simplot Western Stockman's IBP Story

Problem

SWS Planning was manual

Difficult and time consuming to analyze various sources of data

Time to generate scenarios too long to ensure the best decisions are being made

Feed Mill capacity not optimized

Planning horizon limited

Majority of discussions revolved around a 30-day window

S&OP relatively new, limited process maturity

KPIs imbalanced

Limited Tools

Collaboration through E-mails

Analysis and planning via Excel

Objective

Business Need – Project Goal

To increase profitability and capacity/volume through the mill manufactured feed. Increase forecast accuracy to optimize inventory strategy and secure customer service levels.

Project Scope

Phase 1 – Demand Planning Proof of Concept

Phase 2 – IBP Demand Planning (Feed Mill Operations) – Legacy ERP

Phase 3 – IBP Demand & Supply (Feed Mill Operations) – S/4 HANA ERP

Transformation Benefits

Forward Planning Principles

Implement basic statistical forecasting

Establish & Improve sales forecast accuracy to understand forecast variance and develop exception management parameters.

Increase reliability of forecasts for supply planning

Integrate forecasts for mill operational planning and increase capacity/volume through mill

Understand optimized inventory levels to minimize out of stocks and excess inventory

Building for the Future

Improve Simplot's ability to develop and mature ability within the IBP platform

Scenario Planning to make informed business decisions to drive profitability and growth, drive category and portfolio management

Improve logistics efficiencies and reduce costs

Improve financial planning processes and forecasts

Technology Focus for Process Acceleration

Demand Planning

1. Forecasting / Sales Collaboration
2. Data (Consolidation and Cleansing)
3. Removing Siloed Planning
4. Integration with Downstream Processes
5. Insights & Reporting

Supply Planning

1. Resources (Right Data, Right Time, Right Place)
2. Forecast Variability & Bullwhip effects
3. Resource Constraints
4. Capacity Bottlenecks
5. Rescheduling
6. Insights & Reporting

IBP Demand Wins

Business Benefits during the first year

- Increase of Planning Horizon past lead times
- Establishment of a 'frozen period' in manufacturing. Increasing efficiency.
- Visible data – not dependent on siloed spreadsheets
- Centralized collaboration process.
- Automated processing increasing – higher % of analyst/planner time on insights and decision making.
- Ability to easily leverage data into scenario planning

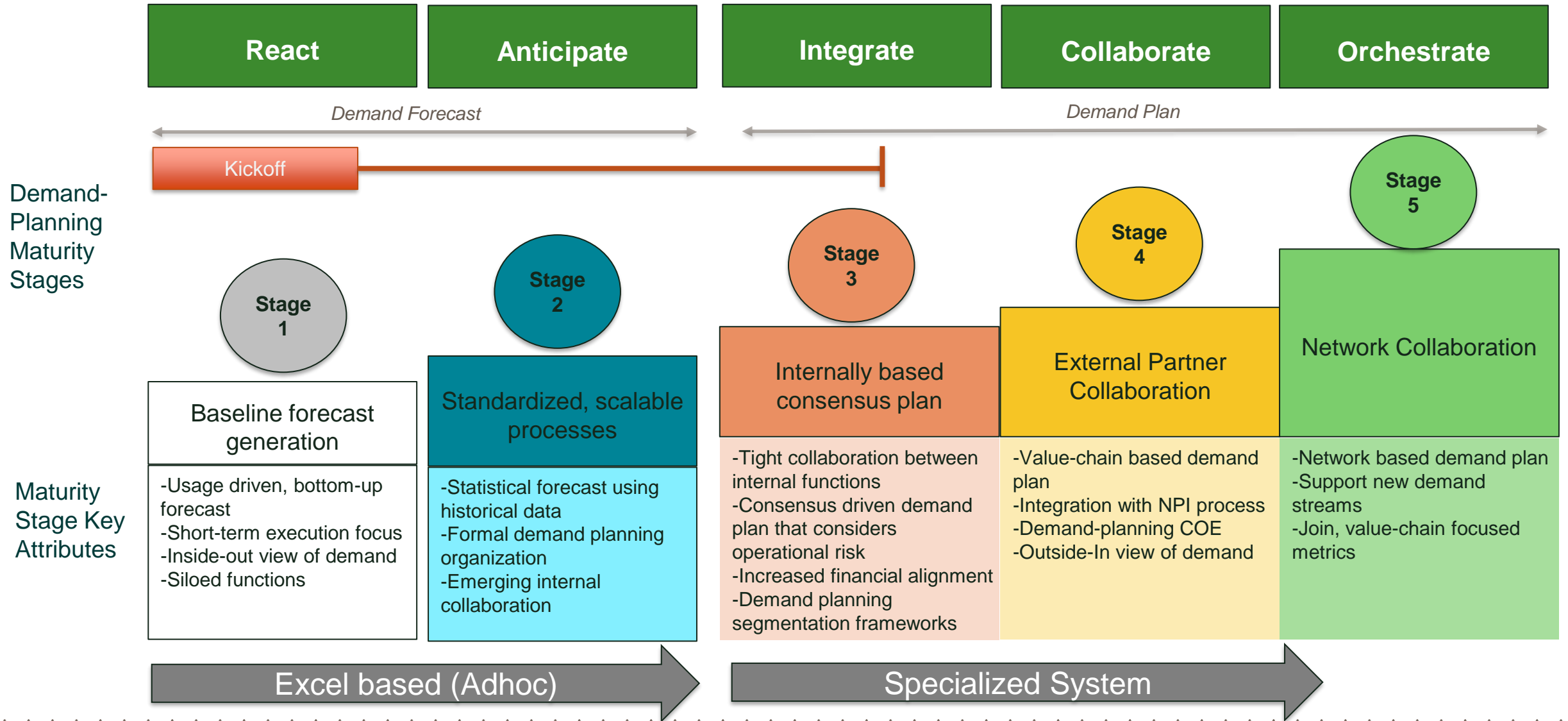
So What?

- SWS Mill has seen a 13% increase in weekly tonnage since go-live.
- Overtime hours decreased 48%

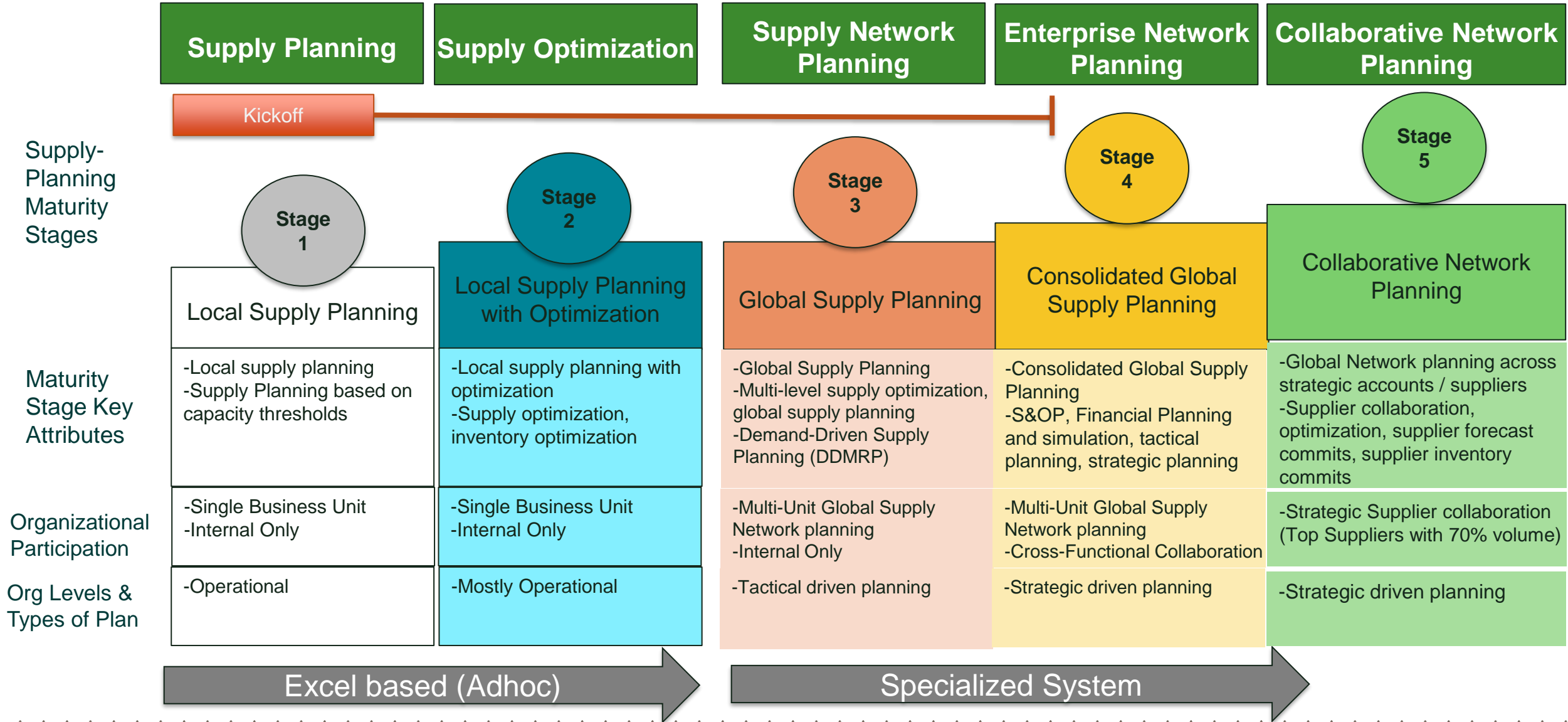


Appendix

Demand Planning Maturity



Supply Planning Maturity



SWS Demand – Tactical Methodology Powered by IBP

