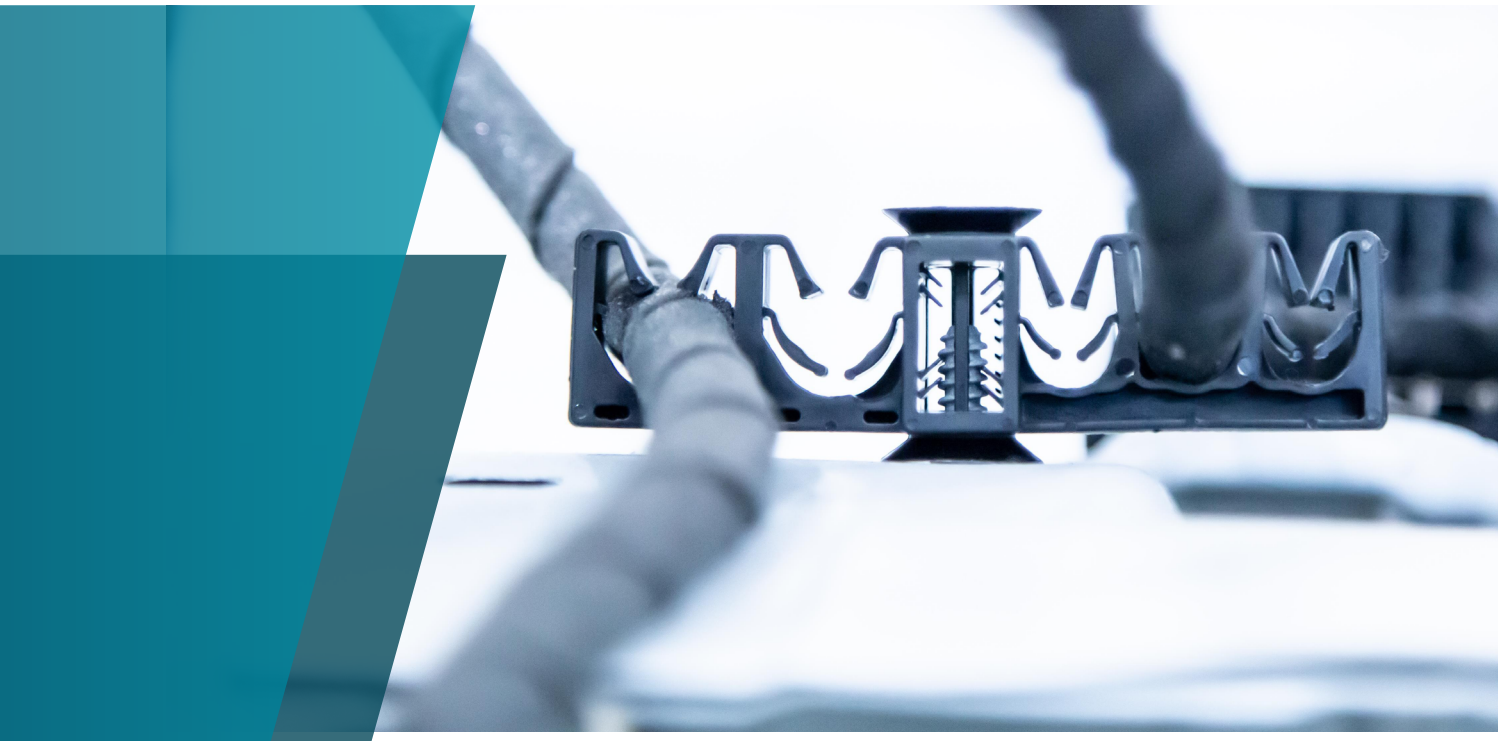
SUCCESS STORY



Sales and Operations Planning

An Overview of the Entire S&OP Process

When are which items in demand? How can demand be met cost-effectively? When does the production of articles have to start? Automotive supplier A. Raymond answers these key questions with the help of the intelligent ADD*ONE solution suite. The INFORM software integrates sales, inventory, and production planning in a transparent system. And it does so for a portfolio comprising 25,000 items that need to be planned efficiently across all production stages. The result is the optimization of the entire value chain – from sales and procurement to planning work processes in production – in a single system. This is also the basis for an effective S&OP process.

Thousands of clamps, clips, and quick-release couplings are installed in a vehicle. Car manufacturers use them to attach door panels or sun visors, fix fuel and brake lines, and connect countless electrical cables. The advantage of these fastening systems is that they save time. A quick push and everything is in place. The A. Raymond network, based in Grenoble and with 29 associated companies worldwide, is the global market leader for such fastening and assembly solutions.

Complex Challenges for Supply Chain Management

With 1,441 employees, A. Raymond GmbH & Co KG, the largest company in the A. Raymond network, is based in Lörrach and produces over 25,000 different items for the automotive industry. Their challenges for supply chain management are complex. There are 48,000 article-customer combinations for the product portfolio, and the production volume of five billion finished parts per year requires the precise planning of 13,000 resources – including hundreds of machines and thousands of tools. This results in a large number of possible combinations in production to meet market demand. *"Our extensive product range and diverse production processes require a digital planning method that allows us to optimize the entire value chain transparently,"* explains Julian Keller, Team Lead Supply Chain at A. Raymond.

Previously, the complex planning was carried out using the ERP system and extensive Excel lists. *"However, the articles we produce are extremely dynamic in terms of customer orders, with a particularly high number of sporadic article call-offs,"* Keller continues. *"This requires the ability to react quickly in order to be able to adapt the planning to corresponding changes at short notice."* Using only conventional planning methods, A. Raymond reached its limits.

Automotive plant of ARaymond in Weil am Rhein

Connecting People, Departments, and Data

"It was clear to us that the complexity of our supply chain management required the use of specialized software," explains Keller. *"Basically, we wanted a system that would connect people, departments, and data in order to create a common planning basis for the entire value chain."* The main objective was a holistic approach in which sales, procurement, and production planning are integrated

About the ARaymond network

With more than 8,000 employees in 25 countries worldwide, the Grenoble-based family business, founded in 1865, develops, produces, and sells assembly and fastening systems. The aim is to replace existing fastening solutions with snap-in, tool-free systems that reduce assembly time and lower production and maintenance costs. Today, the company is one of the world's leading suppliers of fastening and assembly solutions for the mobility sector and other industries. The ARaymond network manufactures its products in 29 production facilities in 25 countries and supplies customers worldwide.

www.araymond-automotive.com

into one planning process. *"For sales planning, this meant obtaining a forecast sales plan for the coming months as automatically as possible. A major challenge here is dealing with sporades and the associated high demands on the forecast. It is not simply a matter of predicting average consumption. Rather, we have to forecast the specific number of call-offs as precisely as possible, as these have a major influence on the production program."* In procurement and production planning, A. Raymond wanted to replace the very rough order quantities from the previous MRP system with cost-optimized order and production proposals. *"We want to weigh set-up and storage costs as well as risk costs in the best possible way, always taking into account a valid sales plan."* At the same time, production planning should take place in one and the same system. A. Raymond wanted to be able to keep an eye on the utilization of machines, tools, and personnel resources at all times.

Julian Keller, Team Lead Supply Chain at ARaymond

Comprehensive Software Solution in Response to Complex Challenges

The ADD*ONE solution suite, which specializes in optimizing the entire value chain, proved to be the most comprehensive and suitable solution for A. Raymond in its search for a suitable system. In addition, INFORM's experts quickly developed a deep understanding of the automotive supplier's specific processes. *"We have maintained a close and cooperative partnership from the start of the project to the present day,"* says Keller. Keller was also impressed by the scope of the INFORM software. Algorithms specially developed for sales planning provide reliable sales forecasts throughout the company on a daily basis. *"Sales, production, procurement management, and general management use this basic information from ADD*ONE and supplement the planning with their specialist knowledge. The software then provides us with a coordinated plan that is comprehensible for all departments,"* says Keller. *"The planners can now flexibly link and plan each individual item with all levels such as customer, region, and product group. This aggregation and disaggregation was previously not possible and represents significant added value with ADD*ONE."* There are also components for production planning. *"Everything now takes place transparently under "one roof." In this way, we use ADD*ONE to plan on a rolling basis every night, from market requirements to the work step on the machine, what we produce when, and how much."*

Challenges

- Very many possible combinations in production to meet market demand
- Pronounced dynamics in customer orders with a particularly large number of sporadic article call-offs
- Forecasting the specific number of call-offs as precisely as possible
- A common planning basis for the entire value chain
- Keeping an eye on the utilization of machines, tools and personnel resources in production planning

Advantages at All Levels

Overall, since the introduction of ADD*ONE, A. Raymond has benefited from lower backlogs, an increased level of service, and comprehensive transparency. In addition, the predictability of customer call-offs in sales planning has almost doubled. In inventory management, the average stock value fell by around 10 %. In production, not only did set-up costs fall by 10 %, but the lead time for manual planning fell by over 60 %. And even planning meetings now have a different character. *"The focus is now less on operational discussions. Instead, we talk about our tactical orientation. Thanks to the forecasting quality of ADD*ONE, we can now look 18 months ahead."*

The Starting Point for an Effective S&OP Process

A. Raymond also uses the data and diverse analyses from ADD*ONE to improve other processes. For example, the ADD*ONE data forms the basis for trend-setting decisions in regular S&OP meetings.

» **ADD*ONE forms the essential data basis for our now-established S&OP process, all from one system. This has not only allowed us to greatly simplify the process, it is also based on a valid foundation and is therefore more efficient.**
Julian Keller, Team Lead Supply Chain at ARaymond

The Change in the Planning Process

The introduction of the INFORM system has also paid off for production planners Lisa Hansmann and Fabian Leisinger: *"ADD*ONE has become an important tool for us in our daily work as production planners. We have all the information we need bundled in one application. Our production plans have become more feasible thanks to ADD*ONE. This allows us to focus more on improving our planning processes."* Until the system was introduced, A. Raymond struggled with various challenges. *"One major problem was working in planning silos,"* says Keller. Each department, from purchasing to production to sales, planned for itself. *"For example, we had no way of consistently linking sales planning with production and sales. It was difficult for us to derive an overview of the current planning picture, especially the utilization of resources."* The planning proposals developed in this way were,

therefore, too imprecise and focused on too short of a time period. *"This was only four to eight weeks, so longer-term sales planning, for example, was not possible."*

Production planners Ms. Hansmann and Mr. Leisinger

Planning was also time-consuming. *"Our dispatchers looked into the ERP system up to 30,000 times a year to track the planning of individual items,"* says Keller. Corresponding alerts, which would have enabled exception-oriented work, were not available. This made the work extremely time-consuming and error-prone. *"The lack of transparency within our planning process meant that we were operationally planning behind most problems."*

Precise Scheduling Rules Down to Item Level

Today, the company benefits from introducing the system in all planning areas and networking across departmental and system boundaries. *"In sales planning, we now receive precise forecasts, even in the short term, for the next two to three months,"* says Keller. This has also increased transparency towards customers with regard to delivery date commitments. In addition, A. Raymond has taken advantage of a special feature of the system: ADD*ONE can be individually adapted to the needs of the respective user. The planner can carry out this customization himself without the help of an IT department or INFORM. In this way, A. Raymond has incorporated its own scheduling rules. *"A total of around 140 such self-adaptive rules help us to plan our entire portfolio down to the item level,"* says Keller. In the areas of procurement, production, and detailed planning, ADD*ONE links operational planners and managers in one planning solution. *"All teams now obtain all relevant data from one system with one data status. Together with our central demand management, they can now evaluate different scheduling strategies at any time and apply them to any portfolio,"* says Keller. This way, the automotive supplier can adjust its production plan immediately. In addition to the employees who work operationally with the INFORM system, A. Raymond's management is also convinced by ADD*ONE:

» **The first thought about software often leads to data, presentations, evaluations, and, in the best case, speed. However, the real value of a good software solution is that it enables an organization to think about processes, procedures, and even beliefs in a completely different way. We have achieved this with ADD*ONE, and we have obviously not yet reached the end of our potential**

Jürgen Trefzer, Managing Director at ARaymond

Results

- Predictability of customer call-offs almost doubled in sales planning
- Average stock value in inventory management reduced by around 10 %
- Reduced set-up times in production by 10 %
- Lead time for manual planning reduced by over 60 %
- Thanks to a standardized data basis, the S&OP process has a valid foundation and is therefore more efficient

If you would like to know more, we look forward to hearing from you:
INFORM GmbH / Inventory & Supply Chain
Pascalstr. 35, 52076 Aachen, Germany
addone@inform-software.com / www.inform-software.com

Status: February 2024