

Demand Planning & Inventory Optimisation

Best positioning your inventory management and forecasting techniques to achieve a lean, profitable and sustainable supply chain

Singapore

2nd & 3rd July 2012

Facilitated by international consultant:

Mr. Lindsay Harding Director
Hilf Supply Chain Solutions Ltd

Benefits of attending this informative event:

- **Determining** which inventory management / replenishment strategy is most appropriate for your organisation in the current market scenario
- **Gathering** valuable information and utilising it to enhance the performance of your forecasting processes
- **Reviewing** slow-moving and dead stock from a whole new perspective which will help accelerate your decision on their disposal
- **Re-visiting** data during the products' life cycle to determine if settings and parameters are still appropriate
- **Working** at the optimum inventory level allowing maximised customer service whilst controlling costs to maximise ROI and competitive advantage

marcus evans training courses are structured to provide intense and practical training. Our format:

- Combinations of educational presentations, productive in-session assignments and participant collaboration to provide actionable learning
- Strictly limited numbers to allow for greater interaction and one-on-one interaction with the trainer
- Detailed pre-course questionnaires to allow you to tailor the programme to address your individual concerns
- Hard and soft copies of presentation materials and tools

Pre-course questionnaire

To ensure that you gain maximum benefit from this event, a detailed questionnaire will be sent to you to establish exactly what your training needs are. The completed forms will be analysed by the course trainer. As a result, we ensure the course is delivered at an appropriate level and that relevant issues will be addressed. The comprehensive course material will enable you to digest the subject matter in your own time.

*Early Bird & Group Discounts

Ask about our savings

"If one does not know to which port one is sailing, **no wind is favorable.**"

Seneca, Roman philosopher

Reducing operating costs, increasing asset turnover and improving customer service levels through effective demand planning and inventory optimisation



Testimonials from Lindsay's past courses:

"An excellent course and a very good trainer. I'd give it a VSAT! (Very Satisfied). Money well spent as far as I was concerned"

Escalation Engineer

Microsoft Dynamics, UK

"Very knowledgeable on Supply Chain"

Senior Inventory Management Officer

PSA Corporation (Singapore)

"I have really enjoyed the 2 days training. Lindsay gives examples of what happened at different companies for almost all of the topics being discussed"

SCM Analyst

Philip Morris Singapore Pte Ltd

"Relevant and easy to understand presentation. Practical and useful illustrations of case studies"

Head of Purchasing

Schaefer Systems International Sdn Bhd (Malaysia)

"A very good insight on current inventory tools & management exposures"

Executive, Materials Operations

Malaysia LNG Sdn Bhd (Subsidiary of Petronas)

"Very good knowledge and practical experience. Thanks for the useful key learnings, I will share it with my team. I really enjoyed and appreciated the knowledge transferred during this training"

Senior Supply Manager

Boots Retail (Thailand) Ltd

"I gained a lot of knowledge from this session. The trainer's approach of sharing real-life mistakes of inventory key learning points is very effective and interesting"

Supply Chain Executive

Sarawak Shell Berhad (Malaysia)

"It was a good learning experience, giving me a chance to re-visit the fundamentals of inventory management"

Inventory Management Prime

Nortel Malaysia Sdn Bhd

"It was a great presentation and learning experience, and it made me think a lot to transform and continue to improve China HP service part supply chain operation."

Manager of Field Logistics & Materials (Global Delivery, TSG Services)

Hewlett-Packard, China

"Energetic presentation... your session was so informative and interesting that I referenced your presentation material to my fellows several times"

Vice President Central Purchasing

Doosan Heavy Industries & Construction, Korea

"I learned a lot from your session especially about VMI and SCM. It was really a good chance for me to go through the basics of the whole logistics mechanism"

Business Planning Team Member

Pantos Logistics, Korea

Monday 2nd July 2012

Session One

Highlighting and managing issues facing the Demand Planning & Inventory Management function

This positioning session will take a look at the evolution of the supply chain planning function (and associated IT systems), and discuss some key concepts necessary for its success. A strong emphasis will be placed on data integrity, accuracy and the implications of constantly changing customer expectations. With today's best practice being tomorrow's average service, the need to become more responsive by closing the lead-time gap (improving the company's P:D Ratio) is a prerequisite for survival and growth.

- Efficient supply chain vs responsive supply chain
- Life cycle considerations
- Decoupling points in supply chain, including how they differ within MTO/ATO/MTS environments
- Conflicting measures which possibly drive inappropriate actions
- Failure to capture the voice of the customer – a short case to illustrate how a company's internal Lean team discovered how a particular product line was viewed differently by the end consumer

Session Two

Prioritising the inevitable need for Demand Forecasting within your supply chains

The session will focus on the bigger picture surrounding the data and communication forecasting process where accuracy improvement gains will more likely result. A number of brief case studies will be presented to highlight specific points including a company which must stock to a worst case demand spike, a company who fell foul of external events which resulted in a huge write off, examples of incorrect interpretation of data appearing to exaggerate true demand, etc.

- Leading indicators, demographics, and causal events
- Qualitative methods and Quantitative / Time Series models
- Demand amplification (The Bullwhip Effect) as a consequence of a forecast driven enterprise
- Dangers of choosing an incorrect model
- Changing the models used during the product life cycle
- Accuracy measures including Mean Absolute Deviation

Session Three

Using the S&OP process to drive our master demand plan

One of the toughest tasks in any business is getting everybody on the same page. It is tough to attain a goal with everyone going in different directions. Multinational companies have implemented S&OP in order to get everyone focused on the key goals of the company.

Interactive Exercise:

When the Executive management team have agreed and approved the S&OP plan, the vital bridge of Master Scheduling should be undertaken. Here interactive exercises will include the positioning of MPS receipts to create a build plan which will drive MRP, including the correction of an overload situation identified at the Rough Cut Capacity Planning stage of the process.

Session Four

Managing dependent demand inventory to gain maximum advantage from your IT system

Existing MRP users within the manufacturing industry will have some interesting scenarios posed. Participants from non-manufacturing (distribution, retail etc) will gain a sound appreciation of the dilemmas faced by their upstream suppliers.

- Dependent demand mechanisms :- MRP (Materials Requirements Planning) – with an example presented to demonstrate how a single incorrect stock figure could trigger off a huge amount of expensive company activity

Session Five

Day 1 closing session

Interactive Group Activity:

Working in small teams, attending delegates will be invited to provide feedback relating to the fictitious case company being followed. It is envisaged this would take the form of high level strategic suggestions – likely proposing the perceived current state, transition state, and future state (vision) of the company. Note, a more detailed Action Plan will be presented by each team on Day Two

About your course facilitator:

Mr. Lindsay Harding is Director of Hif Supply Chain Solutions Ltd – A UK based training consultancy he formed in 2002 which specialises in Demand Planning, Inventory Management and Order Fulfilment, which is the APICS

“AEP” (Authorised Education Provider) for Great Britain. He is a Certified Supply Chain Professional, being APICS certified in CPIM, CIRM and CSCP. He has extensive industrial experience, predominantly within the manufacturing

sector, meaning he can bring a presentation to life using relevant examples and interesting anecdotes. He has previously delivered training sessions in China, Bahrain, Ireland, Malaysia, Jordan, Singapore, South Korea and Thailand.

Lindsay holds an MSc in Logistics & Supply Chain Management from Cranfield University and is recognised by APICS as a Master Instructor for CPIM. Lindsay specialises in delivering supply chain training courses and draws upon a wealth of industrial and consultancy experience to compliment the course content.

Lindsay's clients include:

- ABB
- Actavis Pharmaceuticals
- AstraZeneca
- Caterpillar
- Epson
- General Dynamics
- LifeScan (Johnson & Johnson)
- Meggitt Aerospace
- Nokia
- RIM BlackBerry
- SCA Foam Products
- TetraPak
- Weatherford
- Wyeth Pharmaceuticals
- Abbott Diagnostics
- Aristocrat Technologies
- Bergstrom
- Constellation (Accolade) Wines
- Flexcon
- Howdens Joinery
- L'Oréal
- Microsoft
- Ortho Clinical Diagnostics
- SC Johnson
- Schlumberger
- Unilever
- Weetabix Food Company

Why you cannot miss this event:

With the amount of uncertainty facing businesses today, forecasting demand and deciding on optimum inventory levels are some of the more **mind-boggling tasks** within a business. Throw in the **complexities** of internal operations, customer demands and market changes, this becomes a **top priority** for all businesses.

Over the two day session delegates will follow a fictitious case study company, completing exercises aimed at addressing the problems evident within the case company.

The training will encompass classical views and non-classical views of the inventory management function, interweaving a selection of modern concepts with an emphasis of getting the basic building blocks right to maximise returns. A selection of **case studies** will be included which focus on not only companies who got things right, but also some who got things wrong – past attendees have been particularly interested in such 'pitfalls to avoid' to increase their knowledge.

The training offers an interesting mix of theory, real-life examples, basic concepts, and modern approaches. The trainer aims to keep it real rather than overdoing formulas and academic theory, but at all times making sure we have the knowledge to back up key inventory decisions.

Workshop schedule

0830	Registration and coffee
0900	Workshop commences
1030	Morning refreshments and networking break
1100	Workshop re-commences
1245	Luncheon
1345	Workshop commences
1500	Afternoon refreshments
1520	Workshop re-commences
1700	Workshop concludes

Tuesday 3rd July 2012

Session One

Planning & Replenishing Independent demand & Indirect Inventory to the optimum level

This session will review the various methods of replenishing stock, and trigger points necessary, to maintain the desired pre-established levels. The pre-positioning and replenishment method changes, not only by industry, but even by the parts within the portfolio of the same company (fast moving, slow moving, indirect/MRO supplies), again a 'single approach' is not common. Getting these basic building blocks right is an essential prerequisite before larger scale strategic and collaborative gains become fruitful.

- ROP (Re-Order Point/Re-Order Level),
- Periodic review technique – covering calculating a target holding, top-up quantity and fixed review period. The extra safety stock required to cover demand uncertainty in periodic review systems.
- Min-Max (including the pitfalls of this method when Time To Reliably Replenish is not adhered to),
- EOQ (Economic Order Quantity)/least total cost including methodology to perform in Microsoft Excel (with and without Solver add-in)

Interactive Group Activity:

This will include calculating an EOQ for a case company, with the effects of various alterations being explored – such as ordering a similar more convenient batch size, quantity discount implications, assessing overall inventory when altering the number of stocking locations and revising the EOQ at each.

Session Two

Zooming into the big trade-off: Inventory vs Service Level

The concept of increased safety stocks necessary to offer higher service levels is widely understood, and whilst this will be discussed, some non-traditional alternatives will also be posed – including two case studies where the company has positioned itself so successfully with its target market that the following have been winning strategies: (1) a fashion company who deliberately slightly under-plans expected consumer demand to reduce/avoid the possibility of excess inventory, and (2) a retail company who's customer base expect low price but are comfortable with a lower level of product availability (i.e. they will accept occasional stock-outs as part of the ongoing low-price strategy).

- Fixed vs. dynamic safety stocks
- Differing service levels with associated safety stock holding
- Safety Stock calculations using Microsoft Excel

Interactive Group Activity:

This will include calculating the necessary Safety Stocks necessary to offer a particular service level.

Session Three

Inventory Reduction & maximising ROI by capitalising on Consignment and Vendor Managed Inventory (VMI) – your instant route to profitability

Utilising our suppliers' expertise in the management of our inventory - This session will discuss Vendor Managed Inventory (VMI), which is often referred to as a vital stepping stone on the route to CPFR, and, Consignment stocking, with pros and cons, and the criteria for success of each being discussed

Session Four

Assessing the financial impact of our demand planning decisions

Here we will discuss the financial implications of the inventory management function – discussing the profit returns realised with impressively high stock turns, the benefits achieved by companies such as Dell by being able to buy components later in their deflationary industry. After discussing carrying costs, the potential financial implications of holding onto slow moving and obsolete stocks are covered (with some alarming examples presented - an eye-opening demonstration of the effects of retaining inventory 'just in case' or feeling a scrap note is too expensive to sign off.)

- Stock-turns including the effect on margin
- The cash-to-cash cycle measure

Session Five

A view of inventory from the TOC (Theory of Constraints) perspective

The work of E. Goldratt will be familiar to many manufacturers who have been faced with bottlenecks within their processes. The performance measures used within the TOC approach (Inventory, Operational Expenses, & Throughput) are discussed with a particular emphasis on the Inventory portion and its effect on profit.

Session Six

Day 2 closing session

Interactive Group Activity:

Again working in small teams, attending delegates are invited to construct a list of action points to indicate what the fictitious case company should do next. In greater detail than the Day 1 activity, suggested Action Plans should be presented to the other delegates – with suggestions and comments from peers encouraged. It is anticipated that such Action Plans would be segregated into immediate remedial action required, near term objectives and longer term objectives.

Who Should Attend

VPs, Directors, HODs, GMs, Senior Managers, Project Managers, Division Heads, Senior Level Executives from:

- Demand Planning
- Inventory Planning / Management / Control
- Materials Management
- Supply Chain Management
- Procurement
- Logistics
- Manufacturing

From across all industries:

- Petroleum, Gas & Chemicals
- Energy/Power/ Utilities
- Manufacturing
- Shipping
- Steel
- Cement
- Mining
- Automobiles
- Telecommunications
- Healthcare and Pharmaceuticals

In-House Training Solutions

If you have a number of delegates with similar training needs, then you may wish to consider having an In-House Training solution delivered locally on-site. Course can be tailored to specific requirements.

Please contact **Sarah Faradilla** on +603 2723 6600 or email sarahf@marcusevanskl.com to discuss further possibilities.

marcus evans would like to thank everyone who has helped with the research and organisation of this event, particularly the trainer, who has kindly committed and supported the event.