

Demand Forecasting & Inventory Management Excellence

Mastering the best demand planning and stock control strategies to maximise profit performance

Shanghai, China

12th & 13th April 2010

"As markets become more dynamic and competitive, companies must reconsider how they view inventory and make changes to their production and inventory systems. They must begin to think outside the classical box and develop a new paradigm of inventory management"

Mohamad Y. Jaber

With inventory, you never want to run out, you never want too much, you need just the right amount. But the real world experience for most of us is not a happy ending. Now is the time to seriously look for opportunities in your inventory.



Featuring international facilitator:

Lindsay Harding Director
Hilf Supply Chain Solutions, UK

Benefits of attending this training:

- **Improving** demand forecasting accuracy and inventory report accuracy to increase management efficiency
- **Minimising** operating costs and lower overheads whilst maintaining an optimum level of inventory
- **Repositioning** your cash flows to increase liquidity and improve your cash ratios
- **Prioritising** your inventory to effectively manage non-moving inventory
- **Assessing** how Sales & Operations Planning (S&OP) works for your organisation and how it can add value
- **Developing** a sound distribution network to increase inventory turnover
- **Mitigating** inventory management risks and maximising the profit performance
- **Upgrading** service level whilst controlling the cost

marcus evans training courses are thoroughly researched and structured to provide intense and intimate practical training to your organisation. Our format:

- An in-depth tailored program to address market concerns
- Interactive roundtable discussions and breakout sessions to provide actionable learning
- Strictly limited numbers to allow for greater interaction and one-on-one interaction with the trainer
- Pre-course questionnaires to allow you to tailor the program to address your individual concerns
- Comprehensive course documentation

The delegate pack will include a number of self-assessment checklists which is a valuable tool for delegates to complete back at your place of work following the training.

Testimonials from past delegates:

"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)

"The feedback from these sessions was that Lindsay had a thorough understanding of the course content, and was able to articulate this to the students. The sessions were also well prepared and delivered in a very professional manner. Added to this it is clear that Lindsay is passionate about Operations and this clearly comes through in his delivery."

Head of Global Operations
Mitel Networks

"Very good speaker and clear explanation on issues raised and with wide experiences."

Supply Chain Executive
Sarawak Shell Berhad (Malaysia)

"Very good knowledge and practical experience. Thanks for the useful key learnings, I will use to share to my team. I really enjoyed and appreciated the knowledge transferred during this training, hope you will do some training on other Supply Chain topics in Thailand."

Senior Supply Manager
Boots Retail (Thailand)

"I found the course very interesting and well presented."

Customer Service Planner
Eurobond Laminates

"Explained points clearly and in simple language for all to understand."

Prod Planning & Control Manager
Reed Hycalog (Singapore)

"The whole event is full of information, reminds me of the techniques that should be and regularly done to keep the inventory level. This allows me to validate inventory techniques already in place. I really enjoyed the training. I gained a lot of tips on inventory management... Thanks for the knowledge you've shared to us."

Senior Product Controller
Continental Temic Automotive Systems (Philippines)

"Thank you for a most interesting and entertaining training day."

Global Supply Chain Director
PAYNE

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.

Monday 12th April 2010

Session One

Exploring directions & dilemmas and achieving excellence in supply chain management

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.

- Life cycle considerations
- Demand amplification (The Bullwhip Effect)
- Conflicting measures which possibly drive inappropriate actions
- Supply chain risk and vulnerability (including a case study of how two competing companies approached a supply disruption – one with success and the other with disastrous consequences)
- Failure to capture the voice of the customer – a short case study to illustrate how a company's internal Lean team discovered how a particular product line was viewed differently by the end consumer
- Inventory comparison – the traditional view and the new paradigm

Session Two

Planning effective supply chain strategies to respond promptly to the current market climate

As the previous session suggests, innovative approaches soon become the norm, therefore studying how the best supply chains are operated (and discussing potential pitfalls) will arm you with some thought-provoking questions to explore regarding your own future supply chain strategy on returning to your organisation. Assisted by a number of interesting case studies, various strategies will be discussed with the results you achieved and any trade-offs which are necessary for execution. Whilst there is no one size fits all answer, you will see valuable synergies from specific approaches within these overall strategies which can be applied. Topics discussed during this session include:

- Reverse logistics
- Co-makership
- Factory gate pricing
- The 'efficient supply chain vs. responsive supply chain' with the 7-Eleven Japan replenishment model studied as an example of excellence
- Automotive JIT delivery examples will be cited including the potential vulnerabilities which could result within a Lean pull network – especially when a 'single sourcing' strategy is followed

Session Three

Raising your demand forecasting accuracy by applying the right model

This 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
- Dangers of choosing an incorrect model
- Changing the models used during the product life cycle

marcus evans would like to thank everyone who has helped with the research and organisation of this event, particularly the speakers and their staff for their support and commitment.

Session Four

Improving the demand management process by enhancing strategic collaboration

This session considers the wider activities associated with fulfilling customer requirements. Implementing S&OP (Sales & Operations Planning) reaps major rewards for the enterprise itself when the process is refined and adhered to. This will be discussed along with multi enterprise methods such as CPFR (Collaborative Planning Forecasting and Replenishment) and Integrated Supply Chain Networks where both SRM (Supplier Relationship Management) and CRM (Customer Relationship Management) are in position. A case study will look at an international textile / fashion company who transformed its previously poor performing supply chain after selecting the correct partner to embark upon a strategic alliance.

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.

About your course facilitator:

Mr. Lindsay Harding is Director of Hilf Supply Chain Solutions Ltd which specialises in Demand Planning, Inventory Management and Order Fulfilment, which is the APICS "AEP" (Authorised Education Provider) for Great Britain.

Lindsay is a Certified Supply Chain Professional, being APICS certified in CPIM, CIRM and CSCP. He has over 15 years' extensive industrial experience, predominantly within the manufacturing sector. Following successful MRPII Implementation involvement at ACCO-Rexel Engineering, Lindsay joined Richmond based consultancy- Peter Chadwick Ltd (now Celerant Consulting) where he was involved in productivity improvement projects with major client companies. There, reducing "lost time" through improvement initiatives resulted in cost reduction, throughout increases and sustainable saving for the clients. This was followed by six and a half years at Mitel where he headed up the demand planning team and was heavily involved in a global SAP R/3 implementation. Following this, two years with Manchester based consultancy Stratagem Ltd, working predominantly on Regional Economic Development Programmes, prior to becoming a founding director in Hilf Supply Chain Solutions.

Lindsay holds an MSc in Logistics & Supply Chain Management from Cranfield University and is recognised by APICS as a Master Instructor for CPIM. He specialises in delivering supply chain training courses and draws upon a wealth of industrial and consultancy experience to complement the course content. And he always brings a presentation to life using relevant examples and interesting anecdotes.

Lindsay's clients include:

- | | |
|--------------------------------|---------------------------|
| • Abbott Diagnostics | • Aristocrat Technologies |
| • Bergstrom | • Caterpillar |
| • Epson | • General Dynamics |
| • LifeScan (Johnson & Johnson) | • L'Oréal |
| • Meggitt Aerospace | • Microsoft |
| • Nokia | • RIM Blackberry |
| • SC Johnson | • SCA Foam Products |
| • Smiths Medical | • Weatherford |
| • Wyeth 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.

Session One**Getting the basics right (i) - Inventory Planning & Replenishment**

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. Existing MRP (Material Requirement Planning) 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 – with an example presented to demonstrate how a single incorrect stock figure could trigger off a huge amount of expensive company activity
- Independent demand mechanisms: Min-Max, ROP (Re-Order Point / Re-Order Level), Periodic review technique, EOQ (Economic Order Quantity) / least total cost including quantity discount implications

Session Two**Getting the basics right (ii) - Inventory Management**

Being a major company expense and an enabler for varying levels of customer service, optimising stock holding to maximise customer satisfaction and the businesses' own ROI (Return on Investment) is a major challenge. This session focuses on the control of stock, as is the case with last session, another fundamental building block essential to realise the big gains.

- Inventory classification including ABC(Activity Based Costing) analysis
- Cycle counting
- Improving record accuracy
- Workplace organisation within the Warehouse (5S / CANDO)
- Why human errors occur within the warehouse
- Common obstacles which contribute to poor inventory data
- VMI (Vendor Managed Inventory) and Consignment Stocking

Session Three**Prioritising your inventory whilst optimising your service levels**

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

Session Four**Reducing inventory to manage your inventory efficiently and cost-effectively whilst generating cash from cost avoidance**

This session will include a series of steps to provide valuable pointers when embarking upon an inventory reduction programme. The hard facts will show that ongoing costs being incurred should be halted in the near term through an inventory reduction programme. A selection of possible actions for various types of excess will be presented.

Session Five**Smoothing your cash flow from inventory velocity and augmenting liquidity in your organisation**

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).

Why you cannot miss this event

Given the market dynamics, and the increasingly brutal level of global competition, gaining even a small edge in inventory management efficiency can earn huge customer and financial dividends.

Inventory has been and continues to be the lifeblood of supply chains. Properly managed, it drives revenue and efficiency for companies. But as the nature of supply chains changes, so must the policies used to manage inventory. Traditional inventory management practices are being made obsolete by increasing global supply chains and contract manufacturing, more dynamic product life cycles, and multi-channel distribution.

Supply chain excellence requires striking the most profitable balance among service levels, lead times, budgets, risks, and inventory costs. Attend this event and comprehend the metrics that are largely determined by how your company's supply, production, and distribution network should be configured and managed, how you should position your inventory, and the inventory stocking strategies you should implement.

This training will encompass 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. It will provide you with strategic skills to forecast demand and optimise your inventory to enhance your ROI and bottom lines.

Who should attend**VPs, MDs, GMs, Heads, Directors, Senior Managers, Managers, Senior Level Executives from:**

- Inventory planning and management/ Inventory control
- Supply Chain management
- Logistics
- Purchasing/ Procurement
- Demand Planning
- Manufacturing
- Materials Management

From across all industries:

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

**Programme schedule
Day one & two**

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