

Demand Planning and Inventory Optimisation



Optimising supply chain efficiency through accurate demand forecasting and planning

11-12 August 2011
Stamford Plaza
MELBOURNE

18-19 August 2011
Novotel
BRISBANE

24-25 August 2011
Medina Grand
PERTH

8-9 September 2011
Radisson Plaza Hotel
SYDNEY

COURSE FACILITATOR



Carter McNabb,
Partner,
GRA

For the last 20 years, Carter has helped organisations in North America, Asia and Australia deliver rapid and sustained inventory reductions, service level improvements and supply chain cost reductions

This course has been formulated to provide participants with an understanding of the techniques and tools required to take their forecasting and inventory management capabilities to the next level and deliver "best in class" performance.

This course aims to:

- Educate in the principles of forecasting & inventory management
- Provide a "how to" framework for their application
- Explore the pros and cons of different forecasting & inventory management approaches
- Assess the impact that improved forecasting & inventory management can have on business performance
- Discuss successful implementation approaches
- Identify opportunities for participants to apply the knowledge they have gained in the course within their organisations

For capital intensive businesses, effective forecasting and inventory management represents a unique opportunity to generate windfall ROI by rapidly minimising inventory investment, generating cash, improving service level performance and reducing supply chain operating costs as a percentage of sales.

Industry case studies and benchmarking studies show that superior forecasting and inventory management performance directly translates into a marked competitive advantage – whether it be successfully supporting promotional activities, improving operating cash flow, delivering in full on time more quickly and/or reducing cost to serve. Given increasing competition in service and cost, greater complexity due to the on-going globalisation of supply chains and increased business risks, effective forecasting and inventory management has become a critical success factor.

This course aims to give participants an understanding of the techniques and tools required to take their forecasting and inventory management capabilities to the next level and deliver “best in class” performance.

Key learning objectives:

- Improving Forecast Accuracy & Optimising Inventories
- Learning how to segment inventory and assign appropriate management techniques
- Discussing forecasting techniques and strategies for different inventory types and planning horizons, such as budgeting vs replenishment
- Understanding the fundamental levers for optimising service levels, inventory costs and inventory levels
- Learning how to calculate inventory related costs, optimal replenishment cycles and statistical safety stocks
- Reviewing related key performance indicators (KPIs)
- Designing a Sales & Operations Planning (S&OP) Process for your organisation
- Understanding implementation considerations and approaches
- Conducting an opportunities assessment for your business

WHO SHOULD ATTEND?

The following will find this course particularly useful:

- Demand Planners
- Inventory Managers
- Supply Chain Managers
- Procurement/Purchasing /Sourcing Managers
- Logistics Managers
- Merchandise & Category Managers
- Service Parts Managers
- General Managers
- Financial Controllers
- Chief Executive Officers

TRAINER PROFILE



Carter McNabb, Partner,
GRA

Carter is a founding partner of GRA, Australia's premier supply chain consultancy. GRA was founded in 1997 and specialises in supply chain and logistics strategy, planning & execution.

For the last 20 years, Carter has helped organisations in North America, Asia and Australia deliver rapid and sustained inventory reductions, service level improvements and supply chain cost reductions through the practical application of leading supply chain processes, techniques and systems. His clients include **The Super Retail Group, Wesfarmers, Mitre 10, Reece, Cadbury Schweppes, The Australian Defence Forces, Honda, QANTAS, Corporate Express, Amcor, Nestle, Baxter Healthcare, Symbion Pharmacy Services, Cummins Engine, Fantastic Furniture, Cement Australia** and **OneSteel**.

He has worked within Retail, Distribution, Manufacturing and Service /Repair organisations in industries ranging from Fast Moving Consumer Goods (FMCG) to Auto Parts to Defence at both the strategic and operational levels, and his focus areas include:

- Supply Chain Strategy, Planning & Execution
- Supply Chain Design
- Demand Management
- Sourcing & Procurement
- Production Planning
- Warehousing & Distribution
- Inventory Management
- Transportation
- Planning Processes
- Organisational Design
- Sales & Operations Planning (S&OP)
- IT Strategy
- Collaborative Planning
- Project Management
- Change Management
- Executive Coaching

In addition to his extensive industry experience, Carter also authors and delivers Masters courses entitled “**Managing Supply Chain Inventory**” and “**Supply Chain Network Optimisation**” within Monash University's Logistics & Supply Chain Management Post Graduate Program. He presents in Melbourne University's Annual Logistics & Supply Chain Management Executive Development Program and runs an Executive Supply Chain Forum comprised of CEOs from ASX 200 companies. He is also a member of the CEO Institute.

DAY 1

Session 1: The Fundamentals

The critical success factors for managing inventory, cost and service will be outlined. Key concepts in planning processes such as demand forecasting, inventory management and supply planning will also be covered.

- What business conditions create the need for forecasting & inventory management?
- Building a business case – the economics of performance
- Industry case studies and benchmarking data

Session 2: Methodologies

Concepts underpinning common inventory management approaches will be introduced, providing participants with an understanding of the techniques available and where they might be successfully employed within their business.

- Review of different forecasting and inventory management methodologies
- Explore the pros and cons of these methodologies. What is best practice?
- “Tools of the trade” – requirements for forecasting & inventory management in Retail, Distribution, Manufacturing & Service/Repair

Session 3: Demand Planning

This topic will provide an understanding of best practices in demand planning. Participants will gain an understanding of the business requirement for demand planning and the framework required to create forecasts and an approved business demand plan.

- The Role of Demand Planning – Who touches the demand plan?
- Creating the Demand Plan – Developing a baseline statistical forecast
- Demand Plan Performance Management – Exception management Key performance indicators (KPIs)
- Demand Planning Workshop – Identifying opportunities to improve your demand planning processes

Session 4: Inventory, Service & Cost Optimisation

Participants will gain an understanding of how inventory optimisation methodologies work and will learn in detail the best practices in inventory, service and cost optimisation.

- Why have inventory at all? – Economics, Risk & variability, Customer service, Time and Inventory “levers”
- Discussing Inventory Management such as Inventory Segmentation, Inventory Control, Inventory Management, Inventory Optimisation
- Understanding Inventory Performance Management such as Inventory analysis, ABC analysis and Key performance indicators (KPIs)
- Inventory Management Workshop – Identifying opportunities to improve your inventory management processes

Session 5: Supply Planning

Supply Planning is an introduction to the different supply techniques and applications used to meet supply requirements.

- Supply planning methodologies such as Distribution Requirements Planning (DRP) & DRP II, Reorder Point (ROP)/Reorder Quantity (ROQ) and Min/Max
- Addressing supply constraints such as order minimums, lead times & logistics constraints

Session 6: Performance Management and S&OP

Providing an introduction to the principles behind performance management, this topic also illustrates how S&OP uses inventory and performance management to integrate and align activities within a business.

- Performance Management
 - Examples of “healthy” and “unhealthy” performance management practices
 - A good mix of performance measures – leading, lagging, process, outcome, internal, external
- Sales & Operations Planning (S&OP)
 - The stages of S&OP development within an organisation
 - Building an S&OP – “Foundation” & “Framework”
 - Implementation – making S&OP work

DAY 2

Session 7: Supply Chain Collaboration

This session will look at how customer collaboration improves the demand planning process and how supplier collaboration works to improve the supply plan variability, thus reducing total supply chain costs.

- Benefits of collaboration
- Collaboration models – internal, external, customer, supplier, industry
- Traps and pitfalls
- Implementing collaboration

Session 8: Planning Processes & Organisational Structure

This topic will provide an understanding of how planning processes overlay with organisational structures, and will provide attendees with the ability to critically assess different organisational structure and process ownership models.

- Ownership models – pros & cons
- Roles & responsibilities
- Decision rights
- Examples from industry

Session 9: Systems

The use, selection and implementation of forecasting and replenishment systems including what capabilities you should look for, how a selection process might be structured and what to consider when implementing, will be explored in this session.

- What new capabilities or processes will the system enable?
- How to define your requirements
- How to run an evaluation process
- Implementation considerations

Session 10: Simulation and Modelling

Supply chain modelling will be introduced as a way to provide results with which to make management decisions. Modelling opportunities, applications and techniques – and their associated pros and cons – will be covered.

- Differences between Modelling, Optimisation & Simulation – What are they? What do they do? What’s the difference?
- Where appropriate and not appropriate to use
- Sample applications

Session 11: The Financial Link

An explanation of the relationship between financial performance and operations management will be covered in this topic. Participants will be provided with an understanding of how to build a business case to support improvement initiatives.

- Building a business case
- Learning to speak “accountant”
- How to sell the value of supply chain improvements within an organisation

Session 12: Implementation & Change – Making it Happen

The factors influencing the success of supply chain improvement within an organisation will be reviewed in this topic, as will the elements of a successful supply chain improvement project and the associated risks.

- Implementation & Change – Making it Happen
- Industry Case Studies – where it went right and where it went wrong
- Making It Happen Workshop – participants apply what they’ve learnt in the course and create an action plan for their own businesses

