



INFORMATION AND EDUCATION FOR AND FROM THE SAP® COMMUNITY



Supply Chain Excellence

Sonja Telscher, Björn Dunkel and Volker Blöchl (not pictured, see page 3) explain the new supply chain paradigm. A holistic approach with the Supply Chain Excellence Indicator based on SAP S/4 optimizes supply chains and increases transparency and agility.

Mister Mueller Cleans Up	Page 6	The Skeletons In The Closet	Page 9	You Have To Act Yourself!	Page 11
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SUPPLY CHAIN EXCELLENCE

Successful supply chain management is and always has been an optimized combination of human skills and intelligent machines. Efficient distribution of tasks adds value to a company's processes. With decades of experience, GIB builds on and complements the SAP ERP system. E-3 Editor-in-Chief Peter M. Färbinger talked to GIB's Björn Dunkel and Volker Blöchl.

Requirements and challenges in logistics and supply chain management include smart factory, automation, artificial intelligence and robotics. IT development knows no boundaries when it comes to technology. It is an evolutionary path and not disruptive customizing. Based on this insight, a unique SAP-based system has been developed at GIB over the past few years, which incorporates decades of knowledge in MRP planning, logistics and supply chain.

The dynamics and learning ability of GIB Supply Chain Excellence result in great advantages: Flexibility, quality improvement and precision ensure an increase in performance. However, software should not replace users, but rather support them in their day-to-day tasks. For GIB, the cooperation between technology and humans plays a crucial role.

Global supply chains will continue to determine production, logistics, supply chain and distribution in the future. The various processes have to be tightly coordinated. In order to get a grip on supply chain complexity, intelligent controlling of all users in the process chain is necessary, which requires a cooperative network structure. In addition, these value chains should be viewed holistically, which includes network-oriented management.

„The effective establishment of cooperative relationships is seen as one of the future megatrends in supply chain management implementation. The complexity of coordination is increasing due to far-reaching distribution of work and locations, internationalization up to globalization or vertical disintegration. Especially for process synchronization, cross-company material and information flows must be coordinated across the en-

tire value-adding process,“ writes Ronald Poppe, author of the book „Cooperation Platforms for Supply Chain Management“ (Springer Gabler Verlag).

Who is better at managing the supply chain? Interconnected users or the algorithms of GIB SCX? „As complex as this question may seem, the answer is simple,“ says Björn Dunkel, one of GIB's Managing Directors. „The GIB Supply Chain Excellence Indicator creates problem awareness. System-inherent intelligence makes the complexity of end-to-end supply chain planning manageable.“

GIB's APEO principle, Analyze, Plan, Execute and Optimize, simplifies operations by addressing the right information the right way, in the right volume, in the right places and at the right time - meaning CLUI, context-based, location-based, user-based Information. „This empowers people to do the right thing quickly and in the right way. Consequently, the users are still the ones who control the system and thus the supply chain,“ explains Björn Dunkel. Again and again, the user goes through the APEO principle. The software regularly analyzes the quality of the planning process and enables the user to plan even more precisely in the next planning process. The simulation and saving of scenarios help to get closer to the optimal result. Only then can a plan be put into practice. Daily business and operation become more manageable. The aim is to provide the user with as much comfort and security as possible. The fourth and final step in the APEO principle is the optimization phase, in which actual and target values are compared and the necessary steps for improvement are defined.

This fosters positive competition between humans and machines: In chess and Go, humans have already been beaten, but can we still master ERP and SCM?

GIB Managing Director Björn Dunkel in an E-3 interview: „ERP and SCM differ from Chess and Go in the fact that one has the goal of dominating and defeating one’s opponent at the heart of the game, purely for fun, while ERP and especially SCM aim to connect processes to control and plan a joint success! IT is the lowest common denominator of this comparison, and in the end, in both cases, it serves to support human beings in their actions.”

ERP users’ actions are sometimes chaotic or even disruptive - not intentionally, but not everyone succeeds in monitoring and controlling more than seven parameters. People tend towards „repair service behavior“ - if they recognize an error, they are strongly committed to cor-

recting it without looking at any other steps in the same process. However, it would be better to see the big picture in this case, to analyze the system holistically. Does GIB want to correct this behavior with SCX? „That is exactly the idea,“ emphasizes Björn Dunkel. „A supply chain is only as strong as its weakest link. However, it usually gives us numerous warning signals before it finally breaks.”

The „A“ in the APEO principle stands for analysis. Björn Dunkel explains that the GIB SCX process indicators show the respective process maturity level: starting with the processes concerning demand, manufacturing, procurement, inventory, sales and distribution planning. „All these processes combine in a filigree way“, recounts

Co-CEOs Volker Blöchl (r.) and Björn Dunkel want to make successful companies even more successful.



Björn Dunkel from practical experience. Book author Ronald Poppe: „Increased cooperation and networking between companies is being continuously pushed by both economic developments and information technology innovations. Increasing globalization enlarges potential markets and simultaneously intensifies competition. The increased competitive and cost pressure, combined with the dynamic change in market demand towards highly variable services with increased product complexity and number of variants, means that cooperative forms with their exchange relationships based on the division of labor are becoming more suitable for coping with business challenges. Developments in information technology also enable and accelerate the development and establishment of cooperative corporate networks.” (Springer Gabler, ISBN 978-3-658-16369-3)

Repair service behavior

„What is the goal of every supply chain plan?“ asks GIB Managing Director Dunkel in an E-3 interview, and gives the answer himself: „To be able to 100 percent meet customer requirements in time and quantity! If the sales and distribution planning process is only at 73 percent, the error is usually hiding in upstream process steps. Thanks to the process indicators of GIB SCX, users now have a clear picture of where immediate action is needed. This enables them to meet their repair service requirements.“

GIB SCX supports users with a personalized guiding function: The system shows the user in which process and at which point in the process the error occurred. SCX gives recommendations for action and opens the SAP transaction with which the error can be corrected. The entire process takes place in real time based on SAP master and transaction data, which are evaluated by GIB's own heuristics.

How do you define the ideal supply chain? Volker Blöchl: „Users could score points with KPIs from many different areas. Maybe some readers would even be fascinated or impressed by how many KPIs there are. But does it really make sense to pin countless KPIs to the bulletin board and hope that this is incentive enough to improve supply chain processes?“

Volker Blöchl explains further, „Especially when we talk about the supply chain as a whole, we need a metric that measures the entire process. This is the only way to counteract silo thinking. If you ask yourself, for example, what is the ideal



order quantity for the company, it quickly becomes clear that the answer can only be found across functions and departments. We believe that our SCX Indicator, which is calculated and reported based on individual processes, gives our customers the right view on their supply chain management. Of course, there are companies in our customer base that have long been involved in optimizing their SCM. Many of these customers use our GIB Suite merely to get a firm grip on processes, from sales planning to finite capacity planning and controlling. However, I am convinced that these companies also need SCX, because the demands on the supply chain are constantly changing.“

KPIs and SCX Indicator

For existing SAP customers, availability and quantity are important decision-making components. Why do ERP users never seem to find the right KPIs in their S/4 Hana system? „In all modern ERP systems, we are overwhelmed with KPIs,“ says Volker Blöchl, drawing on his experience from many successful customer projects. „If we look at the modern supply chain, we will find many KPIs in all areas. However, when we ask ourselves whether we are successful, it is not enough to have a great KPI score in just one area of the process chain. Only when we combine and prioritize different KPIs does a good

score become really exciting. Shouldn't it be our ambition to become better in the process as a whole?“ Ultimately, it's all about dynamic processes and networked systems, so static state variables are only of limited help. The challenge is to optimize end-to-end processes. GIB Managing Director Volker Blöchl says: „It's all about understanding, designing and optimizing. Understanding is the necessary foundation for design and optimization. With our SCX Indicator and the five process indicators, we show companies their current status. We hold a mirror up to SAP users, but we don't just want to visualize the current situation, we want to guide users to critical processes with intelligent navigation. We thus offer a strategic, holistic view and operational action.“

SCX users can choose whether to navigate using process indicators or the Process Explorer, which, depending on the employees' role in the company, leads directly to the transactions that need to be processed urgently without any delay. Only when the supply chain managers refocus on the process and don't waste valuable time managing the system can the optimization process start and succeed. „Otherwise we'll all remain firemen, reacting when the damage has already been done,“ emphasizes Volker Blöchl, „and who wants to save the world every day? So, let the systems do the work and drive your optimization in SCM forward.“



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*Transparency and resulting
 certainty in decision-making
 are the foundation of
 successful supply chain
 management.*”

Björn Dunkel, CEO GIB

Digital twin

In recent years, the SAP community has often discussed the benefits and feasibility of digital twins. Generally speaking, creating a digital twin without ready-made software components is a Sisyphean task, but hardly anyone doubts the benefits of a functioning digital twin. GIB Supply Chain Excellence kind of functions as a digital twin of the supply chain, right? Volker Blöchl is initially surprised by the question, saying, „I have to confess that I’ve never thought about it. But I would definitely say yes, SCX works like a digital twin.“

When talking about digital twins, simulation of dynamic systems shouldn’t be neglected. „With regard to simulation, I would like to think that many of our customers have lost their initial skepticism in recent years, and simulation is now indispensable from a process perspective. What if? We have already had this perspective firmly embedded in our solutions for many years,“ explains Volker Blöchl.

Simulation and transparency

Transparency is the order of the day. Does GIB SCX actually make supply chain processes more transparent? Volker Blöchl notes: „Yes, our tools make our customers’ supply chains more transparent. How-

ever, our focus point is to help customers adjust and optimize important processes as efficiently as possible and to support them in becoming better and better as their understanding of the whole process deepens - including comprehensive feedback, because the SCX Indicator directly documents the improvements.“

„Transparency and the resulting decision-making reliability are the foundation of successful supply chain management,“ explains Björn Dunkel. „We have managed over 800 SAP supply chain projects in a wide range of industries. Based on this knowledge, we have integrated a solution into the digital core of SAP S/4 Hana that supports best-practice end-to-end planning processes.“

It typically takes 50 project days for GIB SCX to be installed, customized to the customer’s system (plus necessary employee training), and put into operation. Directly after the installation is completed, companies can already access the GIB SCX Indicator and other process indicators. GIB therefore immediately starts supporting users in planning and controlling their supply chain. „Thus, thanks to the highest possible transparency, we directly create problem awareness to show companies where immediate action is needed. Consequently, every existing SAP customer can optimize their supply chain process together with GIB,“ concludes Björn Dunkel.

Cybernetics

In ancient Greece, „helmsman’s art“, commonly referred to as cybernetics, was a highly respected art of sailors when it was necessary to navigate a ship safely across the sea. Modern cybernetics deals with the control circuits and systemic control of complex organisms and machines. Is GIB SCX a cybernetic system for SCM and logistics? Does a system, consisting of S/4 Hana and GIB SCX, master helmsman’s art? „I really like the comparison,“ says Björn Dunkel in an E-3 interview. „At GIB, we talk about horizontal digitalization. It connects business processes and brings more speed into the control of the process chain. Thanks to the architecture of SAP S/4 Hana systems, orchestration and acceleration are possible. SCX is the steering wheel in this analogy; a steering wheel of the latest generation, with all the tools to navigate safely and purposefully even in stormy weather and fog. Our software is therefore the cybernetic system and the user the cyberneticist, i.e. the helmsman. By simplifying the processes, we ensure better control and make successful companies even more successful.“

Expert and manager

This leaves one final question: Is GIB SCX the tool for experts along the supply chain or for the company’s strategic management? „I would like to emphasize our vision again: We make supply chain processes controllable,“ says GIB Managing Director Volker Blöchl. „That certainly won’t work if you don’t roll up your sleeves and get to work!“

The great benefit of SCX lies in strategic perspective, user-friendly operation, and the combination of both. „Our goal is to bring exactly that to the market, in order to reach every user within a dedicated area, along with experts who have the global view over supply chain processes,“ Volker Blöchl explains. „Our tools can be individually adjusted to the role definition of a company’s users. Consequently, we can use functions and user interfaces to tailor the access of users who are responsible for only a small area in the value chain.“ The intelligent SCX navigation guides employees in their processes to make the right decisions with the right data. „Simple and practical, as our vision promises,“ emphasizes Volker Blöchl.

„Away from endless transaction calls, away from Excel spreadsheets, and towards effective tools - no matter what area of the supply chain you are in.“

(pmf)

Mister Mueller cleans UP

A day in the life of a
supply chain manager



The company Wert GmbH is doing well: Customers are happy, inventory is never out of stock, and there are no resource bottlenecks. Technically, everything's great.



However, sales teams report that customers are more and more often opting for competitors because they offer the same quality at lower cost.



The CEO is also wondering why the margin is decreasing - everything's supposed to be great, isn't it?

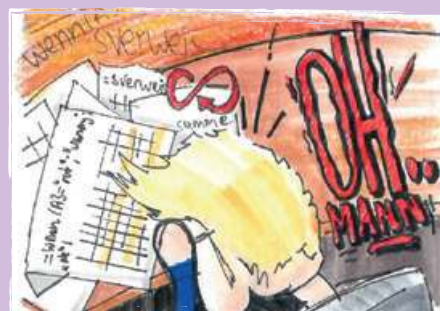


While looking over the calculations, the supply chain manager - let's call him Mister Mueller - finds that the goods produced for stock are more expensive to make than the current market price.

His research also shows that a large portion of the warehouse is cluttered with slow-moving inventory which haven't been required in years. He's also questioning the necessity of so many rented warehouses.



More reliable sales planning could help to more accurately evaluate demand in advance and then produce only as much as the company really needs. This would positively affect revenue and Mister Mueller's reputation.



He tries his hand at sales planning, but all he finds are Excel spreadsheets with complex formulas and undecipherable logic.



Unfortunately, the one colleague who knows how to decipher those spreadsheets is on vacation for 3 weeks, meaning that he cannot make any changes or corrections right now.



However, Mister Mueller at least gets some answers: The marketing department's promotional activities are not taken into consideration by management because they just don't get along too well.



At least sales teams' recommendations are taken into consideration, but without an evaluation of feasibility.



Unfortunately, special events influencing revenue as external factors, like the soccer world cup or an expected heat wave, cannot be accounted for in Excel spreadsheets. Furthermore, any adjustments of calculations in Excel can mean disastrous errors resulting in completely nonsensical planning forecasts.



This isn't what Mister Mueller expected at all. Why even use Excel if the entire supply chain is orchestrated in SAP? Continuity breaks always risk the reliability and precision of predictions. „Is there no other way?“, Mister Mueller asks himself.



Mister Mueller is convinced that the root of the problem is that their production is more expensive than their competitors'. In search of quick wins, he turns to procurement.

Mister Mueller wants to know why some resources are stored in such enormous quantities. The answer: Procurement has negotiated favorable terms with a supplier in a politically unstable region.



Due to the fact, that there are no other suppliers and a lack of the necessary resources it would bring production to a halt. Therefore, the responsible production planner decided to opt for a large safety stock.

The planner also points out that the material spectrum per controller is so extensive that the controllers have no transparency about necessary safety stocks, replenishment times, or possibilities for optimizing transportation costs.



To ensure seamless production, every production planner is more generous in their predictions. They would love to make just-in-time models or just-in-sequence delivery work, but without transparency and real control of their own tasks these approaches just aren't possible.



Undeterred, Mister Mueller continues to search for cost saving opportunities and meets with the head of production, who tells him that the information the planners send them is often already rendered invalid as soon as their shift starts.



If a machine breaks down, more employees than expected need sick leave, or a crucial customer request comes in, production has to go with gut feeling and experience rather than forecasts and predictions. „Production is completely flexible in this regard,“ the head of production proudly says.



Machine maintenance is going great, too, the head of production says: He personally ensures that all wear parts are regularly replaced - and to make extra sure that everything will run smoothly, he always replaces them **before** their official replacement date.

While the head of production so proudly talks about his accomplishments, a completely flabbergasted production planner has joined their conversation. This is not how it's supposed to be, she says, recommending simulative planning and work-in-progress options to remedy these issues.



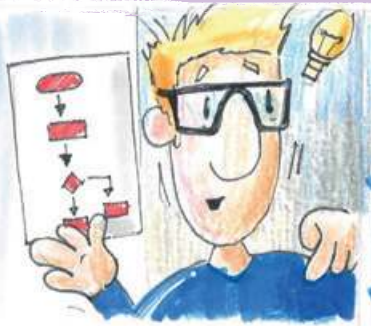
If you were able to integrate unforeseen changes directly into the planning process, preferably through drag-and-drop, and pass on the adjusted production plan directly to the responsible decisionmakers, that would be fantastic.



Order-based simulative planning of machine and personell capacities, would really advance the company. Status monitoring of machines would also save real money by avoiding malfunctions or breakdowns and by saving on spare or wear parts.



Mister Mueller nods. Apparently, there is a lot to optimize - both in each individual process as well as along the entire supply chain.



Mister Mueller comprises a to-do list for his CEO: maintain supply capability, reduce stock. Eliminate slow-moving inventory. Evaluate safety stocks and potential for reduction. Reduce warehouse capacities and the cost involved.



Improve sales planning by incorporating all available relevant information. Eliminate technological interfaces and isolated expertise. Improve reliability and transparency of production planning.



Ensure more transparency about material availability and replenishment times in procurement management. Offer user-specific and user-friendly information. Optimize shipping costs through intelligent order bundling and transparently and risk-consciously orchestrate the supplier network.



Introduce rolling planning and work-in-progress options in production. Avoid on-call production and create simulation possibilities. Optimize setup times through skillful planning and save costs in maintenance through condition monitoring, predictive maintenance, and intelligent spare and wear parts management.



„And that's only the tip of the iceberg“, Mister Mueller says. Optimization potential along the entire supply chain is enormous.



His CEO is impressed and tasks Mister Mueller with purchasing a software solution that can be integrated in their existing SAP system without additional interfaces while also taking care of all of the issues he has put forth.



„And make sure that the consulting expertise is excellent, that the implementation time is as short as possible, and that the solution is future ready. We want to move to S/4 in a few years, after all.“



„Piece of cake!“, Mister Mueller thinks - he already knows that all successful supply chain managers work with GIB.

GIB's SCM experts get to the root of the problem rather than treating symptoms

The Skeletons In The Closet

GIB doesn't offer standard processes, it rather searches for skeletons in the proverbial supply chain closet - it's about making companies aware of problems.

By *Sonja Telscher, GIB*

During our presentation of the new SCX Suite last year, the most common question we got from supply chain managers, plant managers and production planners was, „Why do you at GIB think that you can tell us, certified supply chain experts, how we can make our processes better?“ GIB's answer to this question is very simple: We do not offer standard processes; we are just tracking down the skeletons in your closet. And since every improvement process begins with the realization that there is something to improve, GIB's new indicator model starts right there: with the creation of problem awareness.

GIB supply chain experts wanted to get to the root of the problem rather than treating symptoms. Instead of using SAP big data in the usual way to create new tools, views and analyses, GIB wanted to use the data to highlight gaps, uncover where information is missing, and question processes.

So, how did the experts proceed? What were the main phases that led to the new indicator model? Volker Blöchl, Managing Director of GIB S&D, speaks of five key steps in this context.

Five steps to improvement

Step 1: Formulating an ideal supply chain process. No easy task, considering that there are legitimate company-specific or industry-specific processes. After all, how could one single process be ideal for series and flow production, for discrete manufacturing and the process industry? „The core processes and the core problems are always similar,“ explains Volker Blöchl, „Whether teddy bear or aircraft manufacturer - over the years, we have experienced time and again that the problems faced by supply chain experts are very similar at their core.“ Problems usually involved imprecise sales planning, inadequate master data, slow-moving items, safety stock, delivery service levels and backlogs - to name a few. „We have chosen a high level of abstraction to achieve comparability and uncover pain points that need to be dis-



Sonja Telscher,
Director Go-to-Market/Operations, GIB.

cussed,“ explains the supply chain expert.

Step 2: Defining potential weak points. Once the ideal process had been formulated, the individual process sections were subject to detailed analysis. What happens in the inventory management phase, what activities and planning processes are essential in procurement management, which criteria can be used to evaluate sales planning? GIB's experts discussed and analyzed these and many other questions. „We had our experienced process and SAP consultants on board,“ says Volker Blöchl, who was able to provide numerous topics of discussion thanks to his in-depth practical knowledge as a former operations and scheduling manager. Again and again, the identified parameters were put to the test: Is the activity relevant for all industries? Is the activity meaningful for this specific process sec-

tion? And last but not least, is it possible to find data in the SAP system that relates to this activity? The experts often had to discard ideas and findings in order to meet their own high standards of simplicity.

Step 3: Creating key figures. The experts agreed on five process steps, namely Demand Planning, Manufacturing, Procurement, Inventory Management, and Sales and Distribution, and created key performance indicators that make the quality in each step measurable. „This was a major challenge, especially in demand planning,“ says Volker Blöchl, because how could the quality of a plan be measured if the original plan was adjusted over time? „With our GIB suite, we have long since solved this problem. We work with versions and save historical data. However, it was important to us that our



SCX indicator model could be used independently of our suite. We only access the original SAP data. This is the only way to create a new standard," he explains. The experts agreed on the evaluation of the materials and articles determined as planable, their planning horizon, pre-planning without backlogs, and the share of planned materials in the entire material spectrum.

Step 4: Summarizing and prioritizing key figures. The result shows that the GIB experts were successful: Key figures were determined for each process step. But how should these be prioritized? Is the delivery service level more important than the backlog? Is on-time delivery performance more important than quantity reliability? „Everything interconnects," explains Blöchl, „You don't have to be a genius to know that a chain is only as strong as its weakest link." For this reason, the experts decided to give each key figure the same priority in the evaluation of the respective process step.

„We agreed to show the level of quality in percent. An individual evaluation scheme would have required an explanation," he states. For example, on a six-point scale, the question would have been whether it would have adhered to the school grading system in Germany (with 1 being the best score) or if a higher score would have meant higher quality. Furthermore, the maximum value would always have to be given, whether the scale goes up to ten or up to eighty, etc. „We aim for simplicity in all our products," says Blöchl, „so it quickly became clear that we needed something that could be understood intuitively and internationally."

Step 5: Create comparability. A focus point of the indicator model is the comparability

of processes in your own supply chain or in comparison to other companies. If the process indicator for manufacturing is at 20 percent and the colleague from inventory management has an indicator of 95 percent, the first did something wrong, and the latter did many things right. Thinking further: If manufacturing in Plant 1 is at 90 percent and in Plant 2 (of the same company) at 50 percent, production planners should urgently discuss why this is the case and what can be done about it.

This comparability also works across companies: two material requirements planners from different companies could certainly have an interesting technical discussion about the respective backlog or delivery service level, if their SCX scores differ greatly. „I'm already looking forward to the day when one of our customers greets the other with ‚How high is your SCX score?'," predicts Blöchl.

Evaluation schemes

What is the point of realizing that your own supply chain is rated at 70 percent? What is the benefit of evaluating the individual supply chain process steps?

First example: A poor evaluation in demand planning shows that many articles and/or materials are not planned at all or, at the very least, are planned inadequately. As a common cause in this case, it is often assumed that the material spectrum is too large, or that planning is not possible. But a look at the forecast often shows that the forecasting procedures are not suitable and that a good planning result can already be achieved with the planning of relevant and

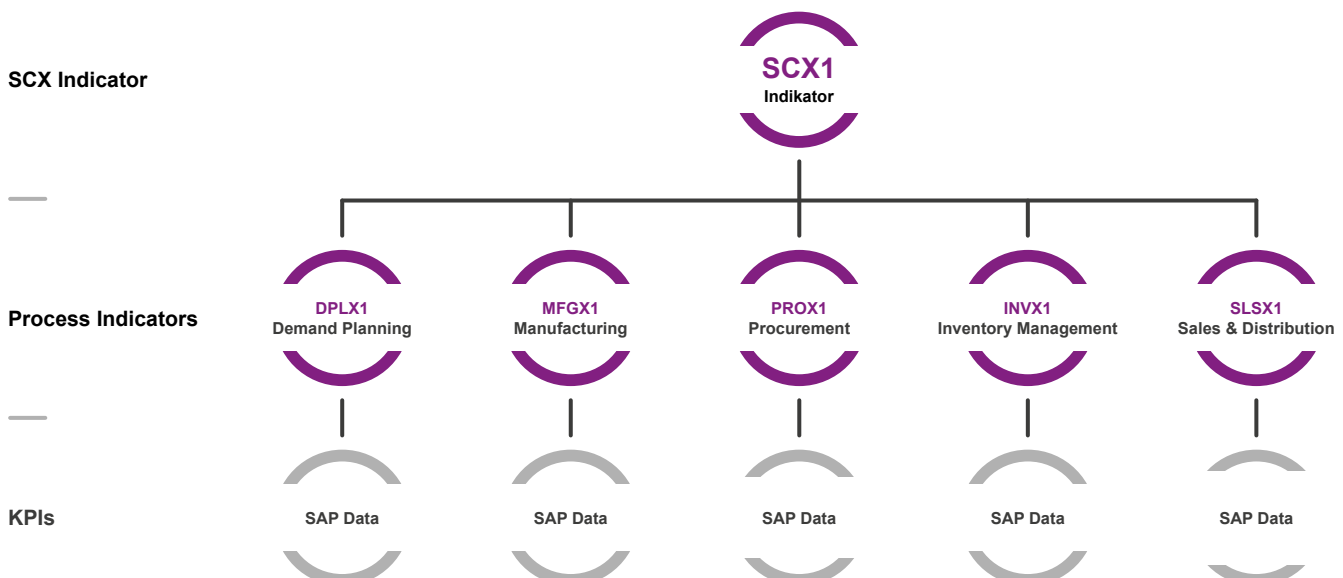
planable articles, or that, quite simply, more information has to flow into the planning system (e.g. from sales and marketing) in order to create a realistic forecast.

Second example: A poor sales and distribution indicator can mean that there is a skew in the delivery service level. If a company always strives to meet the desired delivery date, it may stock up on finished products that are not economically viable. A poor value in the sales and distribution process could also result from a lack of delivery capability despite a full warehouse. The reason for this could be poor sales planning, which leads to producing and storing the wrong products.

„It is important to talk about the figures and their causes," summarizes Volker Blöchl. „We are happy to aid that discussion. We often hear statements like ‚We've always done it this way' or ‚It doesn't make sense for us'. During the discussion, it then becomes apparent that time-consuming procedures have crept in unnoticed, or that processes have never been put to the test due to lack of time." He goes on to say that in his 34-year career with over 200 customer projects, he has never experienced any situation where there was no need for supply chain optimization. „There is always at least one skeleton in the closet," he jokes. „And I guarantee you, we will find it."

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Community Info Page 71

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Process indicators: The indicators support companies in becoming even more successful by showing where they need to make adjustments in the supply chain process.

Against silo thinking and island optimization

You Have To Act Yourself!

Continuity breaks and conflicts along the supply chain hinder optimization of the entire process and diminish the overall economic performance.

By Sonja Telscher, GIB

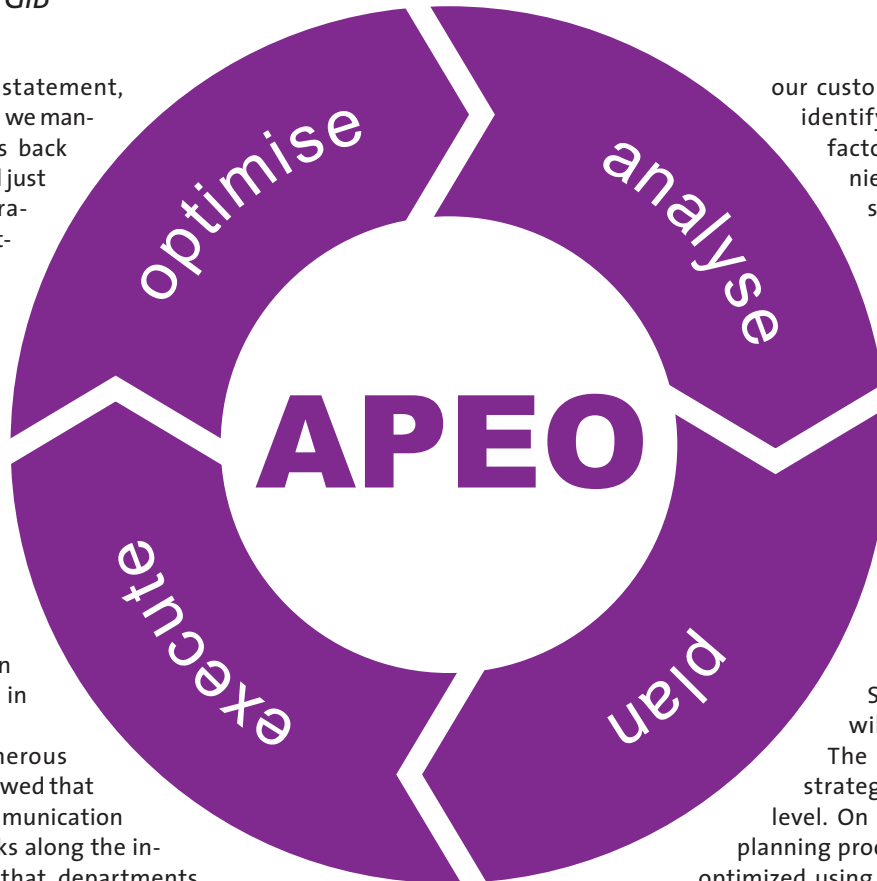
The provocative statement, „With our software we manage misery“ dates back to 2006, when GIB had just developed the Operations module, a software solution that supports operational activities in scheduling and materials management. Michael Schuster, then Managing Director of GIB, explained that, while the right tool does bring advantages, a company's processes have to be synchronized and optimized in order to be successful in the long term.

Even then, numerous customer projects showed that there often were communication and information breaks along the internal supply chain, that departments and divisions were always working towards their own individual goals even if these were counterproductive to the overall process and thus to the overall economic performance of the company. This dilemma gave rise to the keywords silo thinking and island optimization.

More than a plug-and-play solution

„It was immediately clear to us that we could not simply deliver a plug-and-play software solution. We also had to talk to our customers about their processes and help them use the new tool,“ recalls Volker Blöchl, who joined GIB as a senior consultant in 2008.

GIB is an SAP implementation partner, meaning that expertise in supply chain processes and how they can be managed in SAP always had a firm place in the company. Consequently, it was a logical next step to put together a consulting package for the software. It was de-



lanning processes are analyzed and optimized through an iterative simulation process.

signed to show the customer how to use the information and insights gained from the software to optimize their activities and processes.

Today, GIB's solutions and services support the supply chain process end to end, from sales planning and production planning to inventory and materials management and supplier control. Based in Siegen, Germany, the company has built up expertise in supply chain processes in a wide range of industries. „Whether aircraft or tire manufacturer, shipbuilder or beer brewery, consulting is all about asking the right questions. It is invaluable to know and question issues and solutions from all industries. GIB initiates intensive thought processes and breaks up encrusted structures,“ says Blöchl.

„More and more often, we have been asked in projects to take a closer look at

our customers' supply chains, to identify gaps and disruptive factors and to show companies where and how they should optimize their processes,“ he reports, and Björn Dunkel, also Managing Director of GIB, adds: „I remember many conversations in which supply chain managers thought that we at GIB should tell them how to optimize their processes - weren't we the specialists, after all?“

With the new SCX Suite on S/4 Hana, GIB will now do exactly that.

The concept comprises a strategic and an operational level. On the strategic level, the planning processes are analyzed and optimized using an iterative simulation process.

On the operational level, the planning results are incorporated into and processed in process controlling.

Top-down view

The process indicators show in real time, how well the respective field (production, inventory and material management, etc.) is performing. By clicking on a process indicator, users can access the key performance indicators (KPIs) which show where the process is stuck. A further click on KPIs leads to the respective transaction, where the irregularities can be identified and corrected.

In daily routines, it seems rather cumbersome if the controller or production planner has to click through all the indicators and KPIs every day to get to his area of activity.

Therefore, the software offers role-based access. The user directly finds their field of activity, has all relevant facts and

tasks available at a glance, and can start working immediately. The user is shown whether they are currently in the analysis phase, the planning phase, the actual implementation or already in the optimization phase.

Everything starts with the sales plan, with the demand planning process: First of all, companies have to ensure that the relevant materials are accounted for. Planning is calculated for twelve months in advance. Ideally, disruptive inconsistencies in the system, such as missing billing periods and outdated requirements, are now transparent and can be adjusted. The result is an excellent demand planning process.

This sales forecast then flows into production planning (manufacturing) and simultaneously into supplier management (purchasing). Consequently, the sales forecast is made available for all subsequent processes.

What it means ...

What does this mean for production planning and manufacturing? If you know today what customers will buy tomorrow, you can create a reliable production plan. The planner continues to consider their

specific issues and challenges, but has the necessary transparency and information basis to work hand in hand with the upstream and downstream process stages (end-to-end).

What does this mean for supplier management and purchasing? If you know today what customers will buy in the future, then you can negotiate with suppliers in a targeted manner. You can make a partially transparent sales plan and, therefore, make prices, conditions, and quotas cost-efficient, shorten replenishment times or reduce the number of lots.

What does this mean for inventory management (inventory planning)? If you know today what customers will buy in the future, then you can define inventory strategies, e.g. make-to-stock or make-to-order. In addition, strategic targets can be set for inventory key figures, which are then automatically maintained using intelligent sets of rules. These sets of rules additionally automate the maintenance of dynamic material master data if necessary.

No island optimization

The software controls the flow of information and guarantees that each party

If I know today what my customers will buy tomorrow, an excellent sales and distribution process - taking optimal inventory and production planning into consideration - becomes possible.

involved has access to the information relevant to their activity, regardless of the process step in which the information is collected or created.

Mehmet Kozan of Baier und Schneider, who has been working with GIB solutions for years, puts it this way, „I'd say that the greatest benefit is transparency both across departments and within departments. For example, the scheduling department knows how sales planning works now, and production planners suddenly understand it, too.“

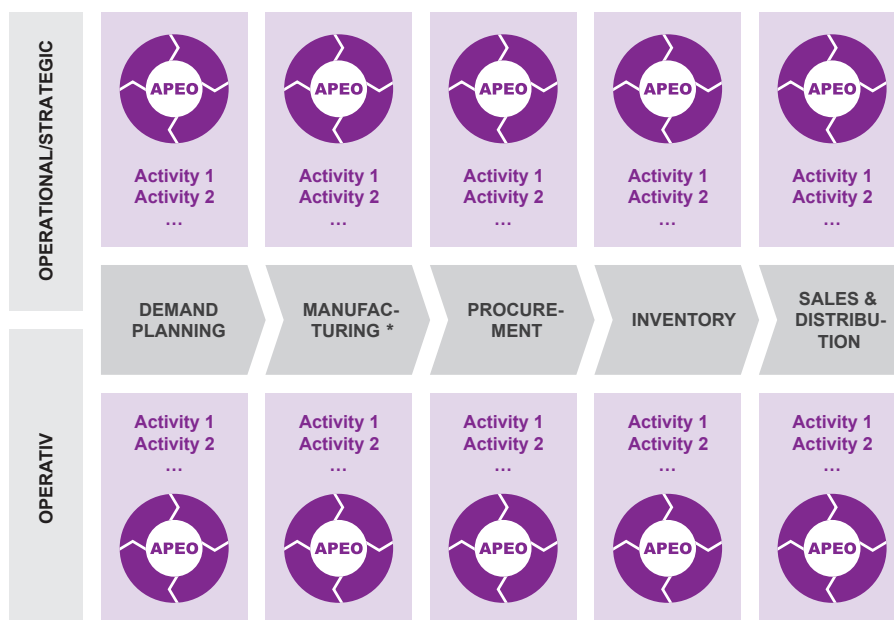
Transparency

Transparency and communication are obviously key factors for successful supply chain management, but what other benefits does GIB offer? The indicator model shows the weak points in the process. Only if companies know the issue can they take meaningful action.

The software solution offers every user exactly the information they need in their daily routine. Thus, the field of activity is clearly arranged and easy to use. At the same time, the system prioritizes the fields of activity so that all measures can be initiated in time.

The GIB solution makes success measurable and comparable, making learning from each other easier. The solution ensures the flow of communication between different departments and teams. GIB makes silo thinking and island optimization a thing of the past. If all those involved in the process free themselves from the fear that someone else will interfere in their affairs, i.e. if everyone is prepared to cooperate and communicate with each other, then the supply chain will function economically and in a goal-oriented manner, and all involved parties will act in the best interest of the company, accelerating the success of the organization. A software solution can support, uncover and guide - but the companies themselves must act.

THE SCX1 PROCESS



* ACTIVITIES (MANUFACTURING)

- Material technical problem
- Material quality problem
- Date resubmission
- Planned orders production
- Overdue customer orders
- Backlogged production orders
- Missing parts manufacturing
- ...

Interdisciplinary expertise in supply chain management like GIB offers changes the perspective on antiquated processes, sparking new ideas and innovation. Indicators can help to identify potential problems and issues.