THE LOGIC FACTORY

THREE PILLARS OF SUCCESS

For right first time implementation of planning and optimization

HOW IS TECHNOLOGY HELPING YOU IMPROVE PLANNING OPTIMIZATION?

Forward-thinking teams understand the criticality of having best-in-class technology for optimizing their business operations, but are they getting the implementation right? Identifying project scope correctly is a must, but the focus is often directed at the technical implementation of a project, leaving the less tangible but equally important activity streams less attended.

When a project delivery becomes too IT centric, business stakeholder ownership and trust in the system is diluted. This lack of ownership results in poor plan compliance, causing optimization potential to be lost. Planners should be fully engaged in the design and testing of what will be their new system. Even a perfectly executed project will struggle or even fail if insufficient attention is given to what The Logic Factory (TLF) has identified as the three supporting pillars of success.

This paper addresses the challenges of project implementation and the three pillars to leverage for getting the project done right the first time. It will also discuss how to ensure the supply chain planning solution meets expectations, prevents wastage, and slashes high costs.

THE CHALLENGES IN PLANNING OPTIMIZATION: ENABLING AND DRIVING CHANGE

For most companies, managing their manufacturing, logistics and/or service operation is a complex planning puzzle. Historically, to successfully manage these puzzles, they have been broken down into smaller, more manageable subsets or silos that can be solved by groups of planners working with legacy technology and/or spreadsheets. In today's highly competitive world, these inefficient and localized planning approaches result in money left on the table. Efficiencies are not achieved and a company is less agile or responsive to change. Opportunities are missed due to silo planning. It also encourages bad practice and reduces standardization by relying on spreadsheets to fill the gaps in legacy processes.

However, over the last 10 years, technology has advanced significantly and is no longer a limiting factor in solving the "big" puzzle.

What is meant by the big puzzle? Take a retail store fulfilment example. There are multiple segments in the supply chain such as transport (national and regional) goods categories (frozen, ambient, clothing, food, etc.,) facilities (distribution centers,) workforce, and assets. Traditionally, these planning puzzles were solved in silos, but there are interdependencies within the supply chain that can be optimized. Transport can be consolidated to avoid duplicate trips, transport arrivals at facilities need to align with physical and human resources to avoid bottlenecks, and picking sequences should align with planned loading times. Of course, the planning puzzles being solved are always changing with new driving forces such as sustainability, energy costs, availability, and costs of resources. Balancing all these disparate needs means a good plan isn't the only necessary element – great KPIs are also needed. But how do our planners keep up with these different views on what a great plan is and solve the ever changing puzzle?

Changing how we look at solving these puzzles means changing the way we think and operate, using the available data and resources to optimize our operations. To do so successfully can generate savings and drive efficiency gains.

Optimizing your planning is a complex process. Technology and mathematical optimization can support your next steps, eliminate hidden cost buffers, and curb wandering bottlenecks. Where technology has previously recorded what has happened and replicated existing patterns, your next challenge is to embrace change and use technology to generate insights from the data that enable and drive positive change.

"The TLF team saved our DELMIA Quintiq project. Going to TLF has been the best decision we have made. These guys work with you and will absolutely put your needs ahead of everything to make the project move forward. The team is great to work with and it has been a great experience. They go above and beyond to get results, to understand the requirements and to make themselves available to discuss if necessary. Even working in a virtual environment has been great to work with them."

Natalia Perez,
Senior Director Technology and Transformation - Worldwide Supply Chain, Herbalife Nutrition.

THREE PILLARS TO GETTING A PROJECT RIGHT THE FIRST TIME

Pillar 1 | Manage Business Change

Business change can mean discomfort. Analysis, education, and encouragement are essential to ensure that acceptance, even excitement, is achieved to adopt new systems fully. There will be difficult discussions to challenge historical processes and phase out legacy systems that hinder growth.

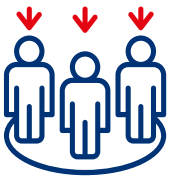
New technology means more empowerment and rethinking how we manage business. From a planning perspective, this typically translates as on-time, in-full (OTIF) at the least possible cost. By connecting all planning activities across a single planning application, we ensure a single source of truth, alignment across departments, removal of silos, and streamlined operations.

Where feasible, consider doing project sprints, which refer to smaller phases with the faster realization of value rather than heavy implementations that take months.

Examples of Challenges:

Delivering feasible and correct possibilities that challenge the way planners think. Doing things differently may create a lack of trust among planners because it's not the way they would do it and prefer to remain in control.

A new planning solution might be aligned with business goals but not with the workforce reward scheme — resulting in immediate and strong resistance despite more efficient plans.



A reduction in personnel or a change to job roles or shift patterns for those who have not been involved, creating uncertainty amongst employees.

The Logic Factory's Approach to These Challenges:

Successful technical delivery is not the only success factor. Although optimization and integration are challenging, involving key users in the change process is critical to what we consider a successful implementation. Taking them through each process step-by-step and aligning with the business stakeholders creates strong buy-in and a better solution for the business. We achieve this by:

- Smoothing the implementation process by giving the key users a say, listening and incorporating their ideas.
- Showing them respect as experienced subject matter experts.
- Gaining trust amongst planners by ensuring engagement throughout the optimization change.

Pillar 2 | Data Readiness

Data does not have to be perfect and rarely is, but it must be of sufficient quality and availability to make and execute robust and effective plans.

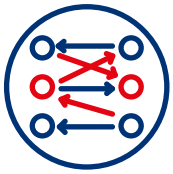
It is important to understand if all the data needed is available, properly maintained, and that multiple copies of the master data do not exist. Quality of data needs to be assessed. Alignment of data availability and data flows ensures that everything critical is available to be received and submitted.

A business-critical, intelligent, integrated planning system should have a single instance of truth supported by real-time availability, stability, and security. The DELMIA Quintiq application only expects to maintain specific data and relevant only for planning.

Examples of Challenges:

Employee-based data needed for workforce planning being maintained in two different HR systems leading to discussions and issues in data ownership and duplication.

The operations team claims to have perfect data during the most recent major ERP revamp, where implementation was successful. While the statement may be correct from an ERP perspective, it can be inaccurate from a planning perspective. This leads to several last-minute changes and project delays.



Unstructured address data for geocoding purely based on end-customer input, without quality or validity checks, leads to finding that there are many ways to record a simple address.

The Logic Factory's Approach to These Challenges:

A data-ready approach means that we either make data a phase in an implementation project (so the rest of the project waits until the data is approved), or data becomes its own stream in the project, with a dedicated team of experts.

We play our part in supporting data readiness through:

- Manual and automated data quality checks.
- Early and immediate focus on data quality and availability.

Pillar 3 | Measure Value

Setting expectations helps the project get off the ground, but it doesn't stop there. It is important to prove the value to the budget holders that expectations were realized and ideally, exceeded.

The project implementation requires apples-to-apples benchmarking as part of the configuration and optimizer tuning processes, ensuring optimal results in a real-world environment. Business stakeholders should be assigned to support this process and work with the project implementation team to quantify these benefits as a key part of project success.

As part of the implementation process, all stakeholders need to be aligned on the new way of working to ensure that the published plan is executed to realize those benefits. Here, TLF can help in many ways. However, the ownership and credibility belong to the business stakeholders.

If you do not execute what you plan, you throw away the business value that could be achieved with a great plan. That means you must believe in the plan, execute it as published, and only deviate due to day-of disruptions, untimely execution of operations, and unexpected orders.

Examples of Challenges:

At the start of the project, typically, nobody knows what a good plan is. Planners focus on "getting the job done." If all tasks and orders are planned or assigned by the end of the day, the planner has done his job. The planner only has one KPI: get it done. There is no focus on cost or value.

We have experienced that cost and value KPIs are not in sync throughout the various planning levels. Decisions on a tactical level are based on other metrics and goals than on the operational level. Alignment of the levels is crucial to prevent counterproductive decisions.

Often, we see that once measurements/KPIs are set, they are never re-evaluated in later stages. The planners may work with them based on business or market changes, but the measurements are not reviewed or re-set.

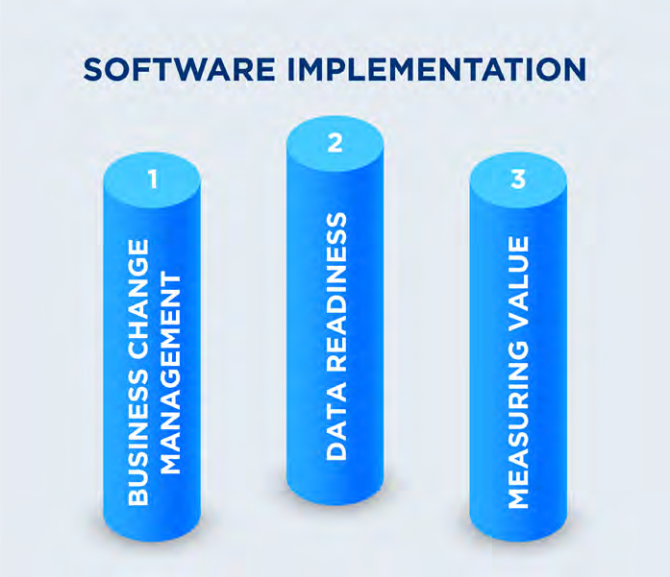
The Logic Factory's Approach to These Challenges:

During the project, we work with you to make sure the implementation remains true to the business value that supports the business case. We focus on adherence to the defined KPIs that deliver the business goals and support planner buy-in to the planning solutions. We also ensure that we keep the applications relevant by consistently assessing the goals.

- As part of our Support and Application Management (SAM) offering, we do periodic value scans, including after the project is closed.
- We design and provide advice to our customers to support continuous KPI tracking — building KPI data gathering into the systems, which enables the ability to periodically execute scans that find trends and rethink or reset measurements.

AT A GLANCE:
THREE PILLARS OF SUCCESS

Getting a project right the first time can be achieved when the three pillars that ensure a successful implementation are fully embraced:

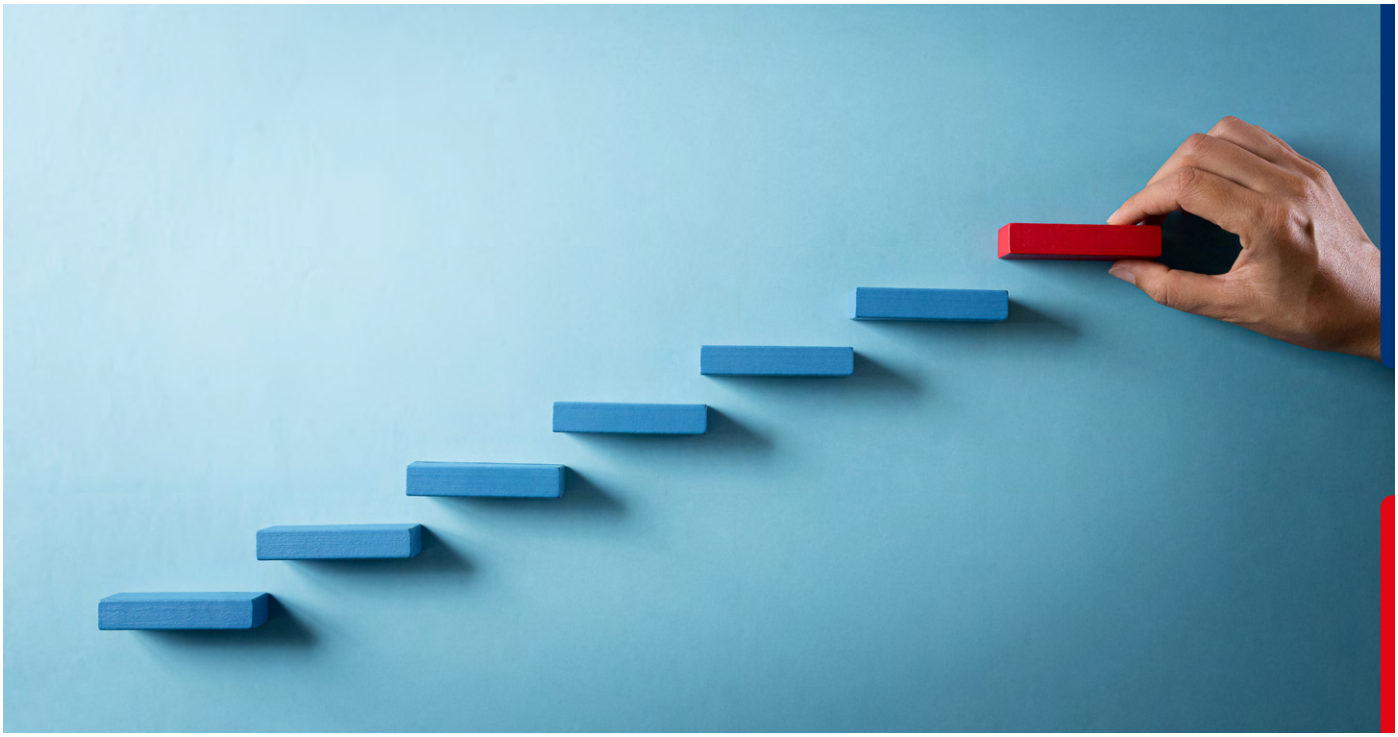


1 **MANAGE BUSINESS CHANGE**
Leave the old way of working, challenge working practices, and embrace business change.

2 **GET THE DATA RIGHT**
Ensure data readiness to achieve robust, efficient, and effective plans.

3 **MEASURE THE VALUE**
Measure the pre- and post- project implementation KPIs.

DELMIA QUINTIQ IMPLEMENTATION:
HOW THE LOGIC FACTORY CAN HELP



Each project has its challenges, where the technical delivery of the software is only one piece of the project. The Logic Factory has some of the highest qualified DELMIA Quintiq consultants in the industry that follow the entire project life cycle — from getting ready through project execution and long-term support. There is continuity of team from pre-delivery to delivery.

The difference in adherence of executed operations to the published plan(s) is often significant:

Before

With typically segmented planning groups and systems, we usually see

30-50%

The Logic Factory is often brought into failing projects to ensure they are successfully completed.

After

A successful DELMIA Quintiq project implementation

80-95%

The Logic Factory works with each customer to ensure all pillars are covered. It's a team effort where all participants work in alignment.

ABOUT THE LOGIC FACTORY

The Logic Factory is proud to be a certified DELMIA Quintiq Platinum Partner. We specialize in developing advanced software solutions for customers across a broad range of industries, including Food & Beverage, Retail, Logistics, Maritime, Aviation, Metals, and Manufacturing.

We excel in fully executing DELMIA Quintiq planning and optimization implementation projects. Additionally, we offer support, maintenance, and hosting of all DELMIA Quintiq environments.

We are headquartered in Den Bosch, The Netherlands, and have offices in Ahmedabad, India, Ardmore PA, the United States, and Liverpool, United Kingdom, which allows us to offer customers global coverage.

QUINTIQ PLATINUM PARTNER

CERTIFIED DELMIA QUINTIQ IMPLEMENTATION PARTNER

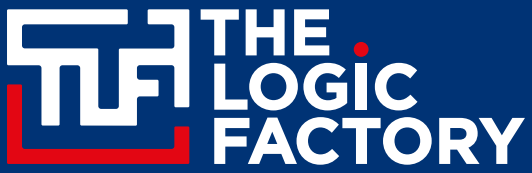
READY TO GET STARTED?

The powerful technology of DELMIA Quintiq combined with The Logic Factory's expertise delivers a valuable solution that serves all supply chain planning and scheduling needs.

We've proven that optimization technology adds value for various customers: multiple percentage points can raise efficiency and effectiveness.

If you are interested in our dedicated solution, contact us via

info@thelogicfactory.com



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