



Global manufacturer of technology products revamps SIOP and warehouse operations to sustain growth

The best businesses not only build markets, they also continually improve their systems and processes to support that growth. That was the case recently when a major U.S.-based manufacturer of technology products realised its success was outpacing its capabilities in two key areas: sales, inventory and operations planning (SIOP) and warehouse management.

In the area of SIOP, supply and demand fluctuated considerably and there was little transparency into changes in forecasts and the impact on supply planning. Manufacturing was facing capacity constraints, and there were ineffective metrics and analyses of supply-demand balancing, trade-offs and decisions.

Regarding warehousing issues, delivery targets were being missed with lead times extending, inventory was difficult to locate, and warehouse layouts had become cumbersome as the firm continued to grow and add products to an already congested floorspace.

Moreover, both the planning and warehouse management systems needed to be reconfigured in support of a migration to the Microsoft D365 enterprise planning system. The firm lacked the functional and technical expertise to properly design and configure Microsoft D365, as well as establish the optimal floor layout and pick path for inventory movements.

To that end, the company's leadership invited Protiviti to partner with them to design an improved SIOP program with policy, process, organisation, reporting and technology considerations, and to design and configure the warehouse layout and racking systems and warehouse management system.

SIOP Transformation

The company's foremost goal in SIOP was to increase top-line revenue by being more responsive to growth in demand. Protiviti conducted a comprehensive assessment of the organisation's capabilities, analysed process metrics and researched emerging functionalities that could significantly upgrade SIOP capabilities.

The result was a detailed list of recommendations that enabled the company to generate accurate demand forecasts based on statistical analysis and inputs from sales and customer orders and to develop plans for new product launches and market expansion. Recommendations included: redesigned workflow and stakeholder engagement, better definition of the roles and responsibilities of key personnel, improved data flow among departments, substantially increased automation, and new metrics to improve visibility and accountability. A monthly cadence was then developed to reconcile demand plans against available inventory and

“Protiviti’s ‘one-stop shop’ approach – combining expertise across enterprise systems, planning, supply chain and operations, master data governance, project management and change management – enabled us to meet the diverse needs and aggressive schedule of our client and help them move forward with confidence.”

– Christopher Monk, Managing Director, Protiviti

manufacturing capacity. Protiviti helped the client establish inventory allocation protocols for instances of constrained supply, as well as establish longer term inventory targets and capacity planning.

Master Data

Through the development of the future SIOP process, Protiviti also identified the need to improve processes related to the creation and maintenance of item master data. This included helping the organisation rethink how it requests, creates, approves and manages materials from product development through product end of life. This led to a streamlined process, improved data accuracy, and enhanced product attributes, and sped up the processing of bills of material (BOM), manufacturing routings and engineering change orders (ECO). As a result, the organisation saw a dramatic improvement in transparency among the sales, production and supply chain functions, leading to greater collaboration, improved sales and reduced need for rework.

Warehouse Management

Protiviti worked closely with IT and warehouse personnel to document business requirements for the D365 warehouse management system. The collaboration led the firm to redesign and update processes to account for both current and future workflows. In doing so, the organisation eliminated duplicative and manual tasks. Protiviti also introduced a project management office (PMO) structure that standardised the processes and set universal timelines and goals.

To optimise the physical layout of the warehouses, Protiviti employed AutoCAD software to design more efficient locations, storage and racking systems, and pick paths for workers to stock and access products. For example, products in higher demand were placed in more accessible locations, such as lower racks near the doors, while complementary items were placed in adjacent or nearby spaces. The ensuing reduction in foot traffic has led to greater productivity in moving product in and out of the warehouses. It has also led to more efficient overall use of warehouse space, allowing the company to continue to grow its customer base without the need for immediate investment in new physical storage areas.

As the organisation moves forward, it can continue its exceptional growth with the confidence that it has the SIOP and warehousing systems to back up and foster its future success.

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independent and locally owned Member Firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

Named to the 2021 *Fortune* 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of *Fortune* 1000 and 35 percent of *Fortune* Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.