

Strengthening S&OP and alignment to inventory process

Reduced legacy inventory by 20% in three months

The challenge

This client develops, manufactures and markets engineered specialty chemicals for a variety of uses and industries. Executives called in Maine Pointe to help identify and overcome some significant challenges they were facing in the hydro-processing catalyst (HPC) segment of the organization. The segment serves a highly competitive global market with multinational, regional and governmental clients.

Our analysis identified a number of critical issues, including:

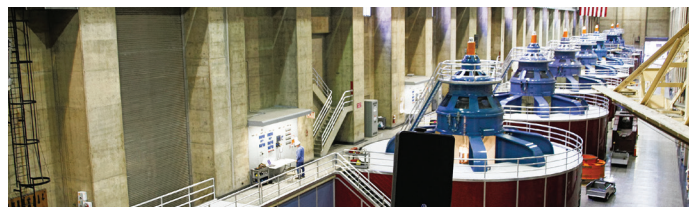
- Siloed functional organizations with little coordination to achieve strategic business goals across functions or geographies. This was a result of the incomplete integration of a major acquisition made 5 years prior
- Over-reliance on technology differentiation in a business becoming increasingly commoditized through global competition
- 2,600 metric tons of “legacy inventory” that wasn’t turning after years of trying
- The sales and operations planning (S&OP) processes had little sales and marketing ownership, resulting in high plan operating costs and low inventory turns
- No effective Management Operating System (MOS)
- Ineffective and unreliable Maintenance Management System (MMS)

The solution

Maine Pointe's team of industry and practice experts worked closely with our client to:

- Design and implement a process that aligned clear functional responsibility and goals for inventory reduction

- Deploy a new inventory model and order policies to shape demand toward preferred products
- Institute new processes, redesign S&OP and clarify roles and responsibilities, improving responsiveness to real demand, and eliminating builds from “phantom demand”
- Define common key performance indicators (KPIs) for operations and maintenance



The results

- Reduced “legacy inventory” by \$4.3/530 metric tons in 3 months, with a plan in place to reduce from 2,077 to 500 metric tons within a year
- Client has a roadmap for implementation of an effective and reliable maintenance system

Want to strengthen S&OP at your organization?

Need help dealing with legacy inventory?

Talk it through with one of our executives.

Email info@mainepointe.com to arrange a call

Maine Pointe is a global implementation-focused consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in both EBITDA and cash across their procurement, logistics and operations to enable growth. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business. We call this **Total Value Optimization (TVO)™**

Maine Pointe's engagements are results-driven and deliver between 3.5:1-12:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings.

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