



**Sales & Operations Planning excellence is key to helping High Tech Manufacturers respond to the challenges of operating in a highly-competitive, global market.**

**Hitachi Consulting has deep S&OP expertise including:**

- **Predefined process templates**
- **“Boot Camps”**
- **Development Lab**
- **Proprietary Solution Designs**
- **Adoption Techniques and Methods**

**Hitachi Consulting’s S&OP services are part of its Responsive Asset Management solution that helps ensure policies, systems, structures and operating techniques make a company’s assets more responsive to changing market conditions.**



# **S**olution Overview: Sales & Operations Planning for High Tech Manufacturers

## **Business Need**

The manufacture of high tech products is extremely complex. To be competitive, manufacturers must be able to meet the needs of large, global customers as well as smaller, niche players.

Worldwide management of supply, manufacturing and distribution offer benefits of scale, but it requires coordination with many partners. And because competition is based primarily on technology and price, companies must have a high quality, innovative product that can be produced and delivered efficiently.

## **Benefits from Sales and Operations Planning**

Sales and Operations Planning (S&OP) excellence is key to helping High Tech Manufacturers respond to these ever-changing challenges by enabling:

- A “single version of the truth” plan which represents consensus of global and regional Sales, Marketing, Operations and Finance functions
- Support for pre-determined response activities such as inventory reductions, modified production shifts and updates to promotion and price levels
- Contract manufacturing collaboration and relationship assessment, as well as implementation of supplier collaboration tools

- Demand collaboration and improved forecast accuracy by sharing information among OEMs, distributors, suppliers, and contract manufacturers

## **Hitachi Consulting Approach**

Our approach reflects a deep understanding of S&OP and the challenges of implementing complex solutions globally. It includes:

- Templates that accelerate S&OP process design and packaged software configuration in the high tech manufacturing environment
- A “Boot Camp” for project leaders to demystify the technology
- The Hitachi Consulting Development Lab for evaluating S&OP models before commencing design
- Proprietary configured-to-order solution design to enable attach rate forecasting
- Adoption techniques to help companies assess their organization’s readiness to implement and maintain the changes that will lead to sustained ROI

Sales & Operations Planning is part of the Responsive Asset Management solution, which works to ensure policies, systems, structures and operating techniques make a company more Market Responsive:

# Solution Overview: Sales & Operations Planning for High Tech Manufacturers

## Case Study: Optics Manufacturer

This high tech manufacturer, with multiple divisions and diverse products, was challenged with sales and operations planning activities that were highly fragmented by function and geography:

- Sales, marketing, operations and finance relied on manual processes and different data sources to support planning for more than 30,000 products (including configurable products) across 20,000 customers
- Global operations on multiple continents led to communication and coordination challenges that made it difficult to develop a unified approach to sales and operations planning

Negative impact to the business included:

- Long planning cycles that resulted in product and production plans that were often outdated before the S&OP cycle closed
- An inability to accurately and profitably respond to sales opportunities that led to lost deals and lost revenue
- Poor supply chain planning that slowed product distribution and increased inventories

JDSU believed that a more dynamic S&OP capability could help improve business results.

## The Solution

Hitachi Consulting designed and executed a global S&OP solution that supports real-time collaboration between sales, marketing, operations and finance,

built on Oracle's Demantra platform. As part of the solution Hitachi Consulting:

- Developed the end-to-end S&OP process, including sub-processes for each functional planning area
- Improved cross-functional coordination across the functional planning areas by linking disparate processes and applications
- Implemented a proprietary design for statistical forecasting and planning for configure-to-order products
- Developed an integrated technology platform for S&OP using Demantra to bring together master data from Oracle EBS, transactional data from the data warehouse, and sales opportunities from Siebel
- Enabled closed loop planning through integration with plants, contract manufacturers and an APS Master Planning Solution; enabled executive dashboards through integration with OBIEE
- Delivered training to multiple sites and functions globally

## Business Benefits

With the new, global S&OP solution in place, our client is more responsive to changes in the marketplace. The expected benefits include:

- 50 percent reduction in S&OP cycle, real-time collaboration and greater accountability leading to more accurate business planning across all functions
- Reductions in active and excess inventory
- Increased forecast accuracy at the item level by production site



## About Hitachi Consulting Corporation

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies. With a balanced view of strategy, people, process and technology, we work with companies to understand their unique business needs, and to develop and implement practical business strategies and technology solutions.

Hitachi Consulting's client base includes nearly 25 percent of the Global 100 and many leading mid-market companies. From business strategy development through application deployment, we help clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting – Inspiring your next success!®

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