



Combe Incorporated

Demand Planning & Inventory Optimization

Introduction

Combe Incorporated has always been innovative in its quest to satisfy consumers with products that “relieve the problems of everyday life – from the top of your head to the soles of your feet.” So it was no surprise when their deep commitment to customer satisfaction led Combe to invest in a robust financials and supply chain solution. By 2005, Combe had stabilized most of their operational business processes with the completion of a near textbook implementation of PeopleSoft Enterprise 8.8 Financials and Supply Chain Management applications, but something still was not quite right.

Business Challenges

With the robust PeopleSoft Financials and Supply Chain system in place, Combe’s business was more tightly controlled and better managed. With the initial implementation they built state of the art 3PL integrations that were instrumental in driving order fulfillment processes to meet and exceed a 99% on-time customer delivery fill rate. However, inventory costs were increasing, planning cycles had extended to 2-3 weeks, and planning results were not repeatable or predictable.

In 2006, Combe’s management team felt it was time to extend their investment with a more sophisticated approach to supply and demand planning in order to eliminate or control sources of cost variability while maintaining customer satisfaction. Combe’s situation was rather unique because there were no obvious flaws in the company’s original implementation, but they were still chasing the elusive “optimized inventory” ROI that is touted as the business driver for so many supply chain solutions. Combe approached Oracle for help with finding a partner to address key objectives around their supply chain (SCM):

- Concur Expense Reporting
- Reduce inventory carry costs
- Reduce planning cycle times
- Improve operational performance

The Solution

Oracle brought in a division of Zanett, then known as PS GoLive, to help Combe optimize their SCM based on the extensive experience and success this group has had with helping organizations with complex supply chain opportunities gain real enterprise value.

Zanett worked with Combe to complete an end-to-end current state assessment to identify issues and opportunities. Policies, procedures, process, people, and systems were all assessed and a strategy developed.

The Client

Combe Incorporated is a manufacturer of health and beauty care products, including Just For Men®, Grecian®, Formula 16® and Grecian 5® haircolor products, Lanacane® skincare products, Odor-Eaters® foot care products, Johnson’s™ Foot Soap, Vagisil® feminine care products, Sea-Bond® denture products, Cepacol® mouthwash and sore throat products, Brylcreem®, Aqua Velva® and Lectric Shave® men’s personal grooming products and Williams® Mug® Soap. Combe, a privately held multinational company founded in 1949, has its international headquarters in White Plains, NY and sells its products in 97 countries.

Based on the team's findings, a plan was formed that included fine tuning the primary supply chain business processes; optimization of the PeopleSoft Supply Planning, Demand Planning, Inventory Policy Planning and Manufacturing applications; and the addition of custom bolt-on applications and analytic reporting tools to address delivered functionality gaps and provide real-time information decision making.

“Starting small...with a big idea.”

Combe's SCM Optimization project provided small, incremental improvements that produced significant operating efficiencies, costs savings, and improved decision-making capabilities that enables Combe's management team to focus on the big idea: continuous improvement of their delivery model.

Using the PeopleTools 8.8 architecture, Zanett designed and built tools to support the business process changes and optimization efforts. A finite capacity shop floor sequencing tool was built within the PeopleSoft Supply Planning module to support leveling of workloads within manufacturing work centers, which improved production performance and reduced supply variability to the distribution network. Demand Planning was enhanced to support the high activity of new product introduction and product phase outs that can result in excessive obsolescence and scrap if not properly managed. Analytics were developed using inventory and manufacturing data to measure manufacturing plan stability, plan feasibility, execution against plan, and projected inventory levels. Immediate and dramatic improvements in manufacturing performance and supply variability enabled Combe to ratchet down finished goods and distribution inventories without sacrificing customer service.

▶ The Benefits

Combe's SCM Optimization project took six months to complete and produced the results that they had long sought from their supply chain. With a system that more accurately reflected their true business practices, Combe managers can now deploy and meet supply chain strategies and aggressively control their inventory investment. Before completion of the project, inventory levels were reduced by 20% with significant cost reductions in carrying costs. Improved supply planning resulted in decreased expedited orders and spot pricing for raw materials, allowing for long-term pricing and decreased shipping costs. And the reengineering of the planning process reduced the end-to-end planning cycle time to a third of what it was previously. In addition, Combe's most important success factor was met – they were able to continue to exceed their commitment to 99% on-time customer delivery fill rate throughout and following the project.

▶ About Zanett

Zanett helps organizations align business objectives with technology to create Real Enterprise Value™. We help plan, build, and manage the business applications that you rely on to run your business. Our unique combination of technology depth and breadth combined with our industry expertise creates tremendous value for our clients.

Please visit www.zanett.com for more information