Advanced Capacity Planning using a Plan For Every Part

Loop Supply Systems implemented a web based Plan for Every Part (PFEP) to provide capacity planning for an industry leading OEM's global supply chain.

The Client

Being one of the largest home appliance OEMs in the world, this US-based company manufactures and distributes a wide range of home appliances such as dishwashers, mixers, refrigerators, and other portable appliances. Their global supply chain spans over 150 countries across The Americas, Europe, Asia, and Australia.

Industry Overview

The home appliance industry – which includes electrical or mechanical devices used in a household – is a multi-billion dollar industry, as the consumption of household appliances worldwide is forecast to generate nearly 590 billion U.S. dollars in revenues by 2020. Shipment of home appliances worldwide is projected to increase from 583 million units in 2013 to 700 million units by 2017.

-http://www.statista.com/topics/1068/home-appliances/

The Opportunity

Our client faced the challenge of balancing the limitations of their global supply chain with customer demand. The client was struggling to produce to the Master Production Schedule due to internal and external supplier capacity constraints and the inability to determine these limitations until production would be impacted. The end result was missed sales and increased inventory and material costs.

loopPFEP has truly been a game-changer for us. It has allowed us to predict capacity issues months and months in advance compared to weeks. This proactive tool has allowed us to limit availability issues and reduce the loss of potential sales. In addition, we have expanded the usefulness of loopPFEP by modeling future demand scenarios for planning purposes.

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The Solution

Loop Supply Systems' loopPFEP, a web based Plan for Every Part application, was leveraged by our client to capture key capacity constraint information from its supply base. By using loopPFEP as a capacity planning tool, our client gained visibility into capacity constraints for all purchased and internally produced parts in its global supply chain.

- Suppliers were trained over the course of 2 months to understand the goal of capacity planning and how the solution would support the global supply chain.
- Within 6 months, 80% of all suppliers had populated their capacity information into loopPFEP.
- Our client's internal team gained visibility to supply chain constraints months in advance instead of weeks.
- The ability to load "what-if" schedules allowed the Advanced Planning team to determine the ability to build to the proposed MPS and validate the ATP of the supply chain.

Impact

- Allowed for strategic long term planning and **reduction in lost sales**
- Improved Advanced Planning and Scheduling visibility from **3 weeks to over 54 weeks.**
- Created the ability to run "what-if" model mix scenarios and validate the ability to build each model mix.
- Identified capacity-constrained suppliers which allowed for **proactive capacity constraint resolution.**
- Improved capital investment management.
- Leveraged loopPFEP to model future profit plans – resulting in realistic build schedules and accurate profit plan.

About Loop Supply Systems

At Loop Supply Systems, we're using 23 years of experience to fill the inherent ERP gaps in large supply chains with scalable, collaborative software solutions that work to create efficient manufacturing processes. loopPFEP is a lean collaboration tool used to improve the speed and visibility of the supply chain. Operations, production control, engineering and suppliers have global access to shared part information to make lean material handling a reality.

Our Purpose
To give trading partners access to information 24/7, allowing business-to-business collaboration to be a reality.

Our Mission
To provide manufacturers with scalable web-based platforms and supply chain technology that enhances the delivery of customer configured products on-time and in sequence to meet demand.

Our Goal
To synchronize supply chain trading partners while making the information technology associated with complex ERP implementations more cost-effective.

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