

DDMRP at Etex

Case study

1 oktober 2021

Agenda

01

About the Organization

Our organization, our products and supply chain complexities.

02

Initial Implementation (2018-2019)

State of organization before implementation; why the implementation; Initial strategy, plan, scope; Education; Length; Challenges; Results.

03

Sustain, Expand and Overcome (2020-2021)

Stabilizing the implementation; Threats and how addressed; Expand.

04

Improve (Feb 2020-Today)

Improvement through tactical adaptive cycles; Analytics; Reconfiguring the model.

05

Main Lessons Learned

Main lessons learned through this process.

Section 1 – About the Organization



Who we are

An experienced international building materials company with sound financials.

Learn about our:

- International industrial company with proven track record
- Experienced management backed up by family owners
- Sustainable profitable growth

What we do

Improving our customers' quality of living with ever more effective lightweight solutions.

Discover lightweight and our divisions:

- Global trends in the construction industry
- Effective lightweight solutions
- Markets, partners, main brands
- Building Performance
- Exteriors
- Industry
- New Ways

What drives us

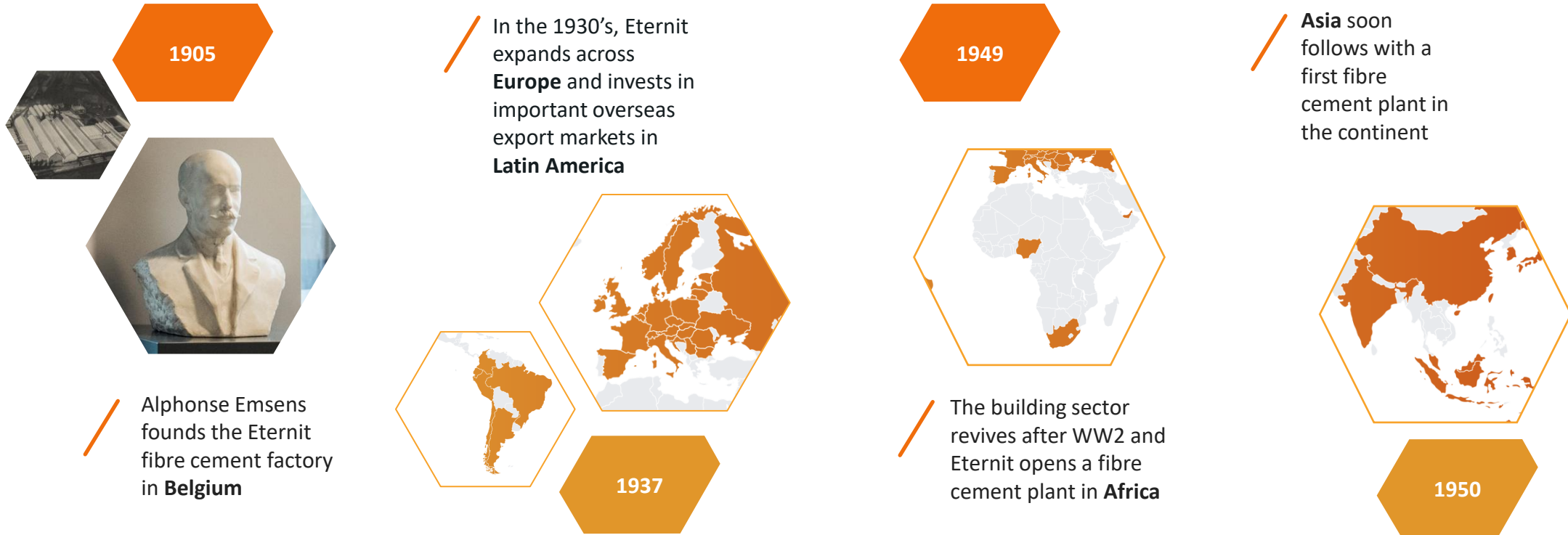
Creating value for our teammates, customers, local communities, partners and shareholders.

Find out about our:

- Sense of purpose
- Journey towards a promising future
- Belief in responsibility as a conscious choice

Proven track record spanning over a century

A story of geographic expansion



"I like this image of a tree with a robust trunk that grows new branches every year, while the existing branches grow stronger."

– Jean-Marie Emsens, Etex Chairman (2005).

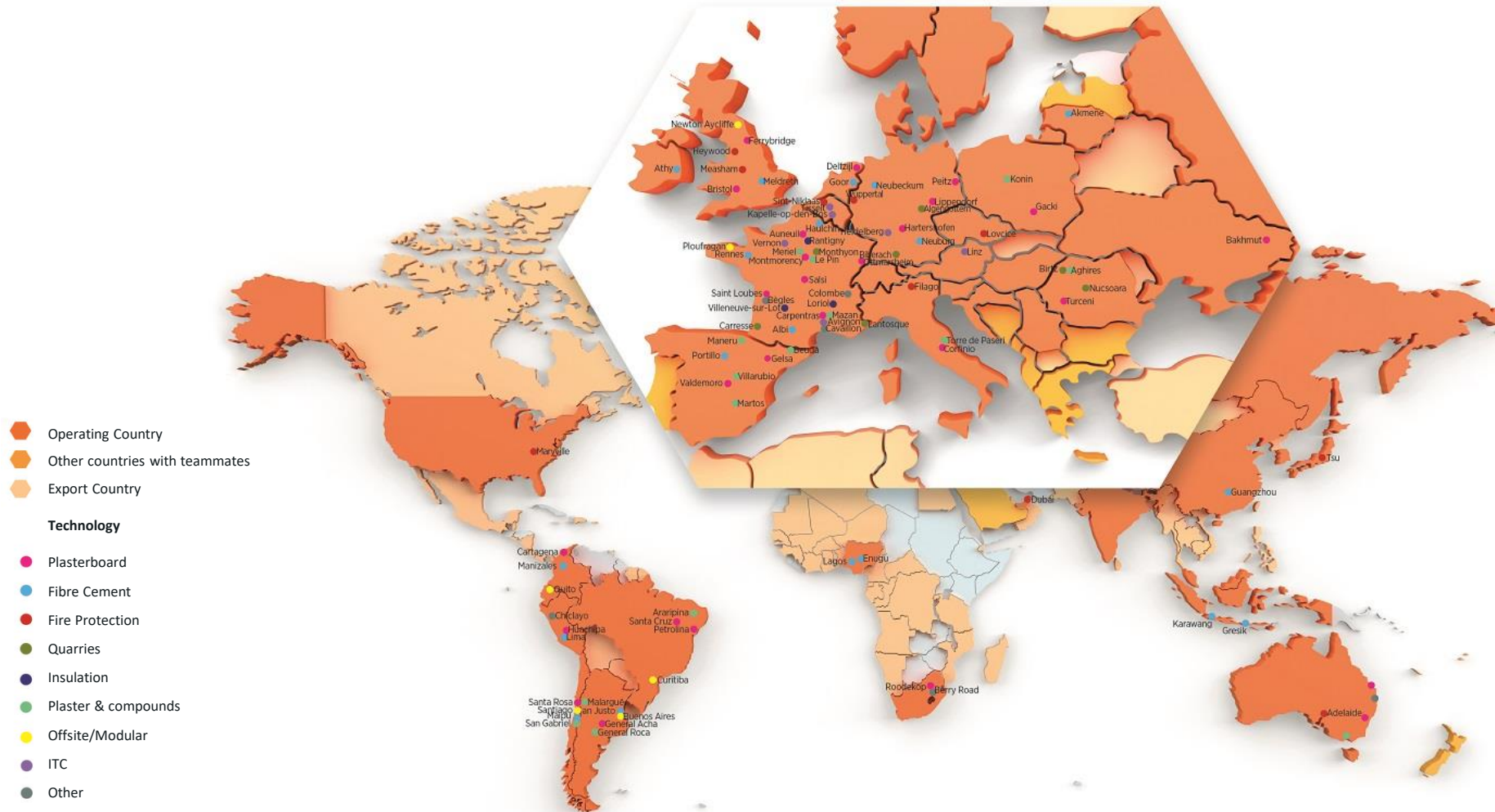
Proven track record spanning over a century

A story of product and technological diversification




An international industrial company

Selective presence • Local anchorage • Major employer



> 11,000

 Teammates

42

 Operating Countries

> 110

 Sites: plants, quarries, offices.

6

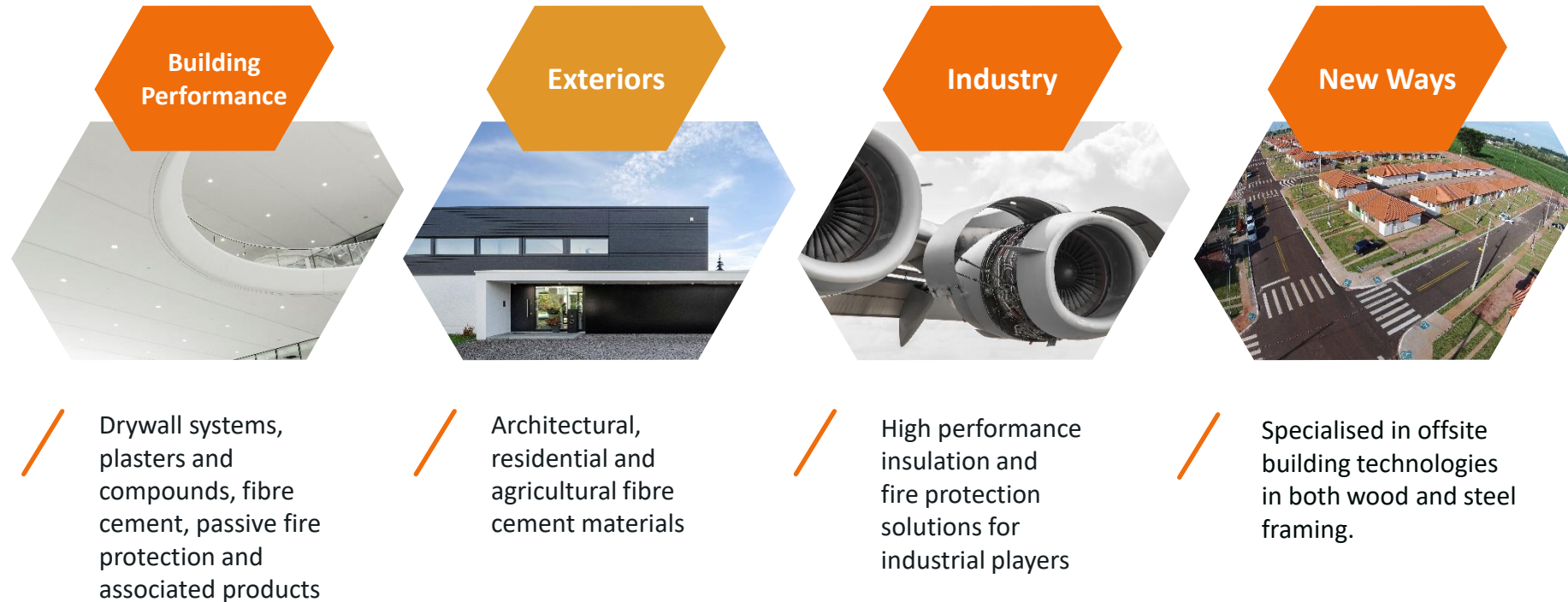
 Innovation & Technology Centres

EUR 2,616

 Million revenue

Market intimacy as the cornerstone of our structure

4 global divisions – each targeting a well-defined business segment



A secure supply of various raw materials

Raw materials represent 30% of Etex total spend, mix of own quarries and purchased resources.

Paper and Fibres

Sourced from a limited number of companies with long-term relationships

20%

Gypsum, & Minerals

Either we own the quarries or we secure supply via long-term contracts

17%

Cement

Widely available from several suppliers

13%

Steel

Galvanised Steel for metal studs

9%

Other

Such as special additives and speciality products

40%

2020 spend data

COVID: How we helped Society



PRODUCING MASKS

Promat



SLIMVAC CORE & INSULATION

Section 2 – Initial Implementation

2018/2019

Section 2 - Initial Implementation



State of the
organization
before
implementation



The initial
implementation
strategy, plan



Why
implementation
was considered



Scope and
Length of
implementation



Type of
education



Challenges
encountered
and the how the
challenges were
faced



Initial results



State of the organization before implementation

- SAP ERP in place with MRP calculation for some materials and some plants only
 - APO SNP & PPDS modules for short term planning in some plants
 - APO DP module with manual forecasts or statistical forecasts (in few locations only)
- But in majority :
 - Planning processes are not harmonized
 - Excel remains the main tool for short term planning





The initial implementation strategy, plan and scope

There was an emergency to resize the inventories of raw materials overall.

The plan was to test the methodology with an Excel spreadsheet.

As we are now living in a VUCA world, we were so motivated to start such a project!

September 2018 – March 2019 FOCUS ON EXTERIORS DIVISION

- Raw materials (high value/ strategic ones – cellulose and fibers)
- Raw materials of Paint Factory
- Finished goods of Paint Factory

End of 2019 – ADD A PILOT ON BUILDING PERFORMANCE DIVISION

- Raw materials of Plasterboard Factory
- Finished goods of Plasterboard Factory



Why implementation was considered?

- **Strategic Raw materials**
 - High stocks on strategic raw materials
 - Central procurement team already in place
- **Paint Factory**
 - Service level to improve (as this plant is one of the main internal paint suppliers of other Exteriors plants)
- **Plasterboard Factory**
 - External audit recommendation
 - We wanted to have also one plant in the pilots to avoid making mistakes in the design
 - One of the most complex ones in the French network



Scope and Length of the implementation

- **Strategic Raw materials**
 - 5 materials/ 5 months / with an Excel spreadsheet first
- **Paint Factory**
 - 350 raw materials + packaging/ 6 months/ with an Excel spreadsheet first
- **Plasterboard Factory**
 - All raw materials & Finished Goods/ 1 year / with the tool already in place



Type of Education

Teammates have been trained with the official DDI courses, but rather late in the project

- **Strategic Raw materials**
 - 1 x DDP training for the central planner & DDbrix workshop
- **Paint Factory**
 - DDbrix for the project leader and the purchasing manager
- **Plasterboard Factory**
 - 4 x DDP trainings & DDbrix for planners and central Building Performance French planning team
 - DDBRIX session with all teammates at the plant (local Finance manager , Plant Director, Continuous Improvement manager, plant manager + central supply chain team)



Type of Education



**Demand
Driven
Planner™**





Challenges encountered and how the challenges were faced?

Strategic Raw materials

- Buy-in from the local contacts
 - I had to convince & explain the methodology and the tool to local contacts who would not use it at the end
 - I had to demonstrate that it could work remotely/ centrally by switching from a monthly local and internal raw mat's follow-up to a daily central review – using a new method and a new tool
- Variety of local contacts profiles (local organization not harmonized through the different factories)
- Pre-requisites not met before implementation
 - Frequency of stock/BOM/ production orders maintenance and updates in SAP not in line with requirements
 - Flow of information disconnected from flow of materials



PATIENCE & REPETITION of explanation
ESCALATION OF ISSUES TO PROJECT SPONSORS
NEVER GIVE-UP



Challenges encountered and how the challenges were faced?

Paint Factory

- Buy-in from the planner (purchasing manager)
 - Project not part of his priorities
- Too quick implementation
 - The implementation went too quickly at the beginning/ too many materials added in the spreadsheet at the same time
 - It has discouraged the planner
 - It prevented the project to gather some results



DDP TRAINING provided to the planner (but too late – after go-live)



Challenges encountered and how the challenges were faced?

Plasterboard Factory

- S&OP decisions (Management variability)
- Too quick implementation (too many materials added at the same time)
- Change management issue : take time
- Language barrier



Initial Results

2018

Strategic raw materials

Vessels re-direction from 1 plant to others + to our central stock in Antwerp*

-15% stock value (-675K€)

Paint Factory

Raw materials and
Finished products

No results so far but project launched to help them to gain visibility on priorities to be given

Plasterboard Factory

Raw materials and
Finished products

20% time saving on the raw materials planner's tasks

*Saving Audited by Finance
(SavingTracker 608)

Section 2 – Initial Implementation

2019

IT tool supportive to Operations

A more focused player, ready to meet the challenges of our changing world



**Daily export from SAP
to B2wise**



**Real time export from
B2wise to SAP**



**Flexible Go-Live
approach**



**One single DDMRP
system worldwide**



Single sign on

Launch of 3 pilots

2019

NEED A TOOL – WE CHOSE B2WISE



NEED A BIDIRECTIONAL INTERFACE SAP-B2WISE



NEED A CLEAR DATA OWNERSHIP

B2wise for dates, quantities and above all: priorities

SAP for sourcing, pricing, transactional data, master data

ONE ETEX

Standardize and harmonize our processes and tools throughout divisions

Our ambition



Key milestones

Creation of Supply Chain corporate functions and center of Excellence

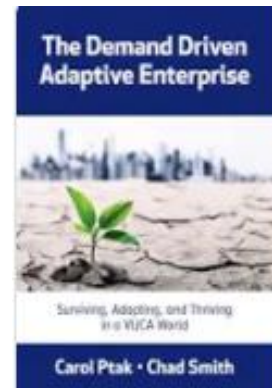
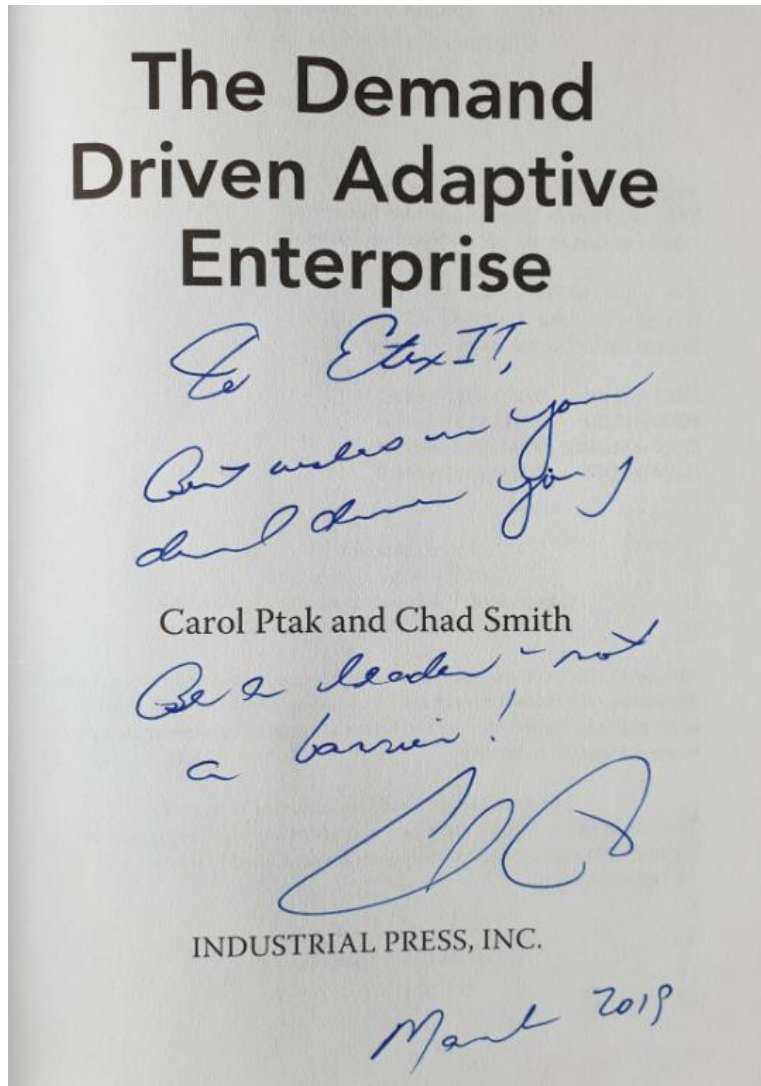
Creation of a strong and supportive Steering committee

BPM Scheduling and DDMRP solutions position
Central planner position

Creation of the function :
Product Owner (IT)

Carol Ptak meeting with Senior managers

ONE ETEX



“Best wishes on your
Demand Driven Journey
Be a leader, not a barrier!”



More Education



DD BRIX[®]
FACTORY
50



**Demand
Driven
Planner[™]**

15



**Demand
Driven
Leader[™]**

2



Results

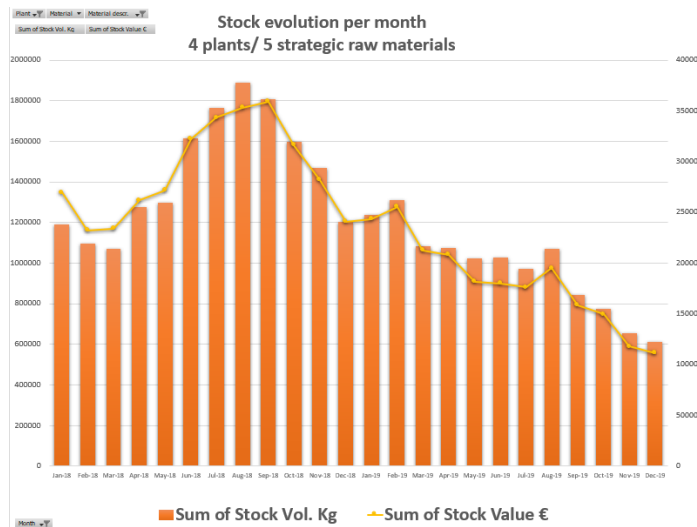
2019

Strategic raw materials

-40% inventory (vol & val) on
5 strategic raw materials → 4
plants

1,1 M€ saving*

*Saving Audited by Finance
(SavingTracker 1860)



Paint Factory

Raw materials and Finished products

- Go-live with tool during last quarter of the year
- To stabilize the raw materials supply;
- Then to stabilize the finished products availability for sister companies (391 materials set-up)

This implementation led to the creation of a central planner position for Paint buffers

Plasterboard Factory

Raw materials and Finished products

- Go-live with tool during last quarter of the year
- Successful for raw materials and distribution
- But not ready yet for the roll-out of Finished products

Capacity constraints not taken into account, desire to use some forecast for internal flow but at that time not possible in the tool

Link between S&OP and DDMRP needs to be implemented

Section 3 – Sustain, Expand and Overcome

2020

Section 3 – Sustain, Expand and Overcome (2020 – 2021)

How we stabilized the implementation after the initial results












Threats to the implementation

How those threats were addressed

How we expanded the implementation beyond the initial scope

How we stabilized and expanded the implementation





- We invested in an e-learning platform (part of the new Supply Chain Academy)
 - Short video's (10-20 minutes)
 - Combination of DDMRP theory and Etex specifics
- We trained local planners in virtual workshops (4-6 workshops of 1,5 hour each)
- Phased onboarding of materials:
 - Traded goods
 - Raw materials
 - Finished products – Distribution
 - Finished products – Production
- Planners themselves always in the lead

	Introduction	
	1. Strategic positioning of buffers	
	2. Calculation of the buffers	
	DDMRP Step 2_ Buffer Calculations Video 22 min	22 PTS
	2. Calculation of the Buffers; DLT and MOQ in SAP; Min/Max; Capacity Reading document 5 min	5 PTS
	3. Dynamic Adjustments	
	4. Planning	
	5. Execution	
	6 B2Wise Tool Training	
	7 Q&A	
	8. Digging deeper..	

Threats to the implementation

Threats

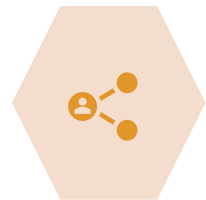
How those threats were addressed?

<p>Covid!</p>	<div>  Stocks raised a lot due to COVID situation, no more external resources (either for training or consulting) - Variability everywhere </div> <div>  Plants shut down between 1 week and 10 weeks We were not able to demonstrate either saving results or service level results </div> <div>  But the DDMRP method and the tool we put in place helped us quickly to recover (within 3 months) </div> 
<p>Poor master data in SAP</p>	<p>New KPI "Data Hygiene", visible for everybody</p>
<p>Poor discipline in posting transactions in SAP</p>	
<p>End of year low stock culture still in place</p>	
<p>Low acceptance of central planning organization</p>	<p>Ask support from Steering Committee and senior management</p>
<p>Need to be validate and add in each local Supply chain Roadmap</p>	
<p>Lack of tangible results in 2020 due to plants stops</p>	<p>Demonstrate our ability to quickly "recover" acceptable stock levels thanks to KPI</p>
<p>Resistance to change still in many countries</p>	<p>DDMRP community creation with Monthly calls / Super Champions by country nomination/ Focus on Training</p>
<p>Supply chain organization is different from a country to another</p>	<p>Since the One Etex Movement has started the Global Supply Chain Center of Excellence has grown up and local supply chain Organizations are also more and more structured</p>

How did you expand the implementation beyond the initial scope

The DDMRP community

The BPM Scheduling and Product Owner DDMRP solutions created a global community which helped people to :



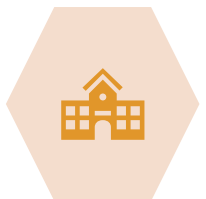
Get people to know each other
(carry on building up the Supply Chain Community as well)



Spread Out the DDMRP
methodology knowledge



Get access to resources
(training/Demand Driven
Institute website/ knowledge on
official trainings)



Learn within the community



Share experiences & issues



Reinforced the importance of
having cleaned DATA/
Discipline/ Daily Routine (Step 4
& 5 of the Methodology)

How did you expand the implementation beyond the initial scope

The Raw materials Strategy

A list of material groups to be rolled out centrally has been defined by our Chief Performance Officer (Supply chain, Quality Engineering and Purchasing)

Top-down needed to carry on the roll-outs centrally

Push-back still there for many countries and local organizations

Roll-out made 100% remotely (more difficult than a face-to-face meeting)

How did we address the change management issue? (central vs local)?

They understood that they still had the control

because the proposal made by B2wise upon DDMRP methodology remained a proposal (Purchase Requisition) -> they were still the final decision makers locally because the stock belongs to the factory and not to the central planner

How did you expand the implementation beyond the initial scope

Traded goods strategy

The roll-out looked simpler than the roll-out of the raw materials → quick win expected
Only the stocks had to be maintained properly (no issue of old data or lack of data consistency)

Some challenges still to face, e.g. erratic profiles

More positive approach as people were going to be trained and involved
→ New process and new tool easily adopted

How did you expand the implementation beyond the initial scope

Finished Goods strategy (distributed vs produced)

More positive approach as people were going to be trained and involved

➔ New process and new tool easily adopted

The distributed FP roll-out was looking simpler than the finished products which have to be produced and planned

Results after Stabilize and Expand phase



It saves time in the planning



Feedback Planners

Very easy to work with
We like the visual and colorful
representation of buffer status and
alerts
Great visibility of priorities



**Top managers confident, same
tool and process is used
everywhere**

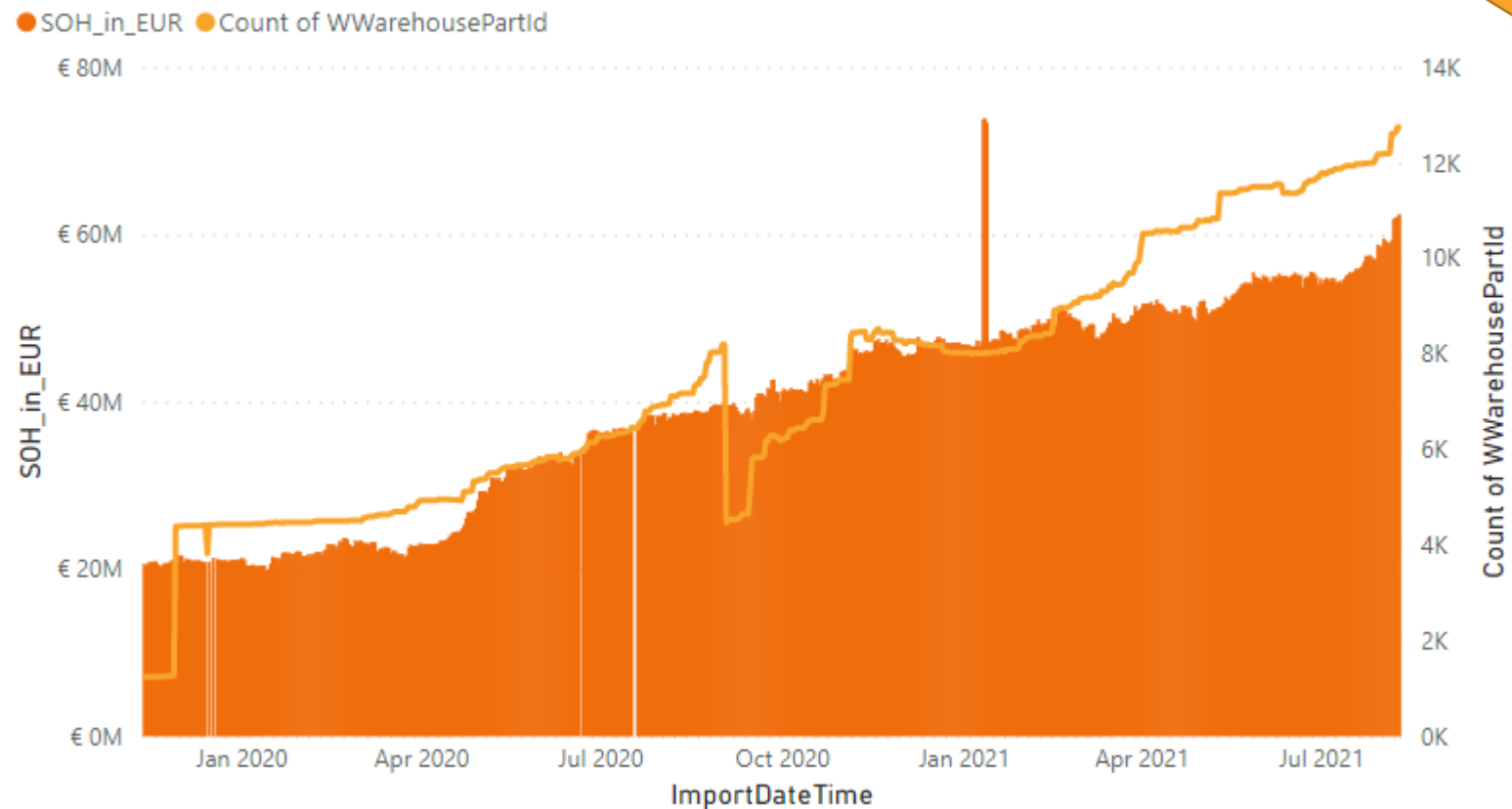


**DDMRP Step 5 – Manage Open
Supply is**
- completely lacking in previous
process
- often underestimated
- needs more training and
repetition

Where are we today: Overall Picture

Evolution of Nr of Materials and Total Stock Value Managed (EUR)

SOH (EUR) and #Materials



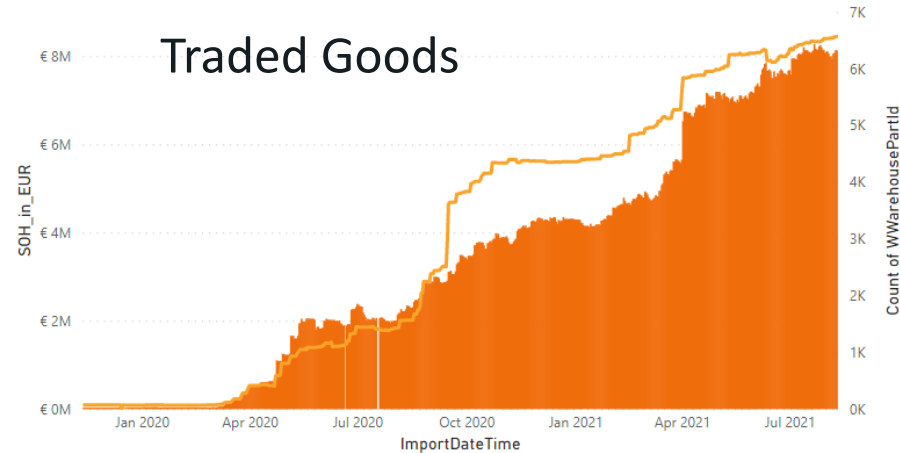
13000
buffers

Where are we today: per portfolio

Evolution of Nr of Materials and Total Stock Value (EUR)

SOH (EUR) and #Materials

SOH_in_EUR Count of WWarehousePartId



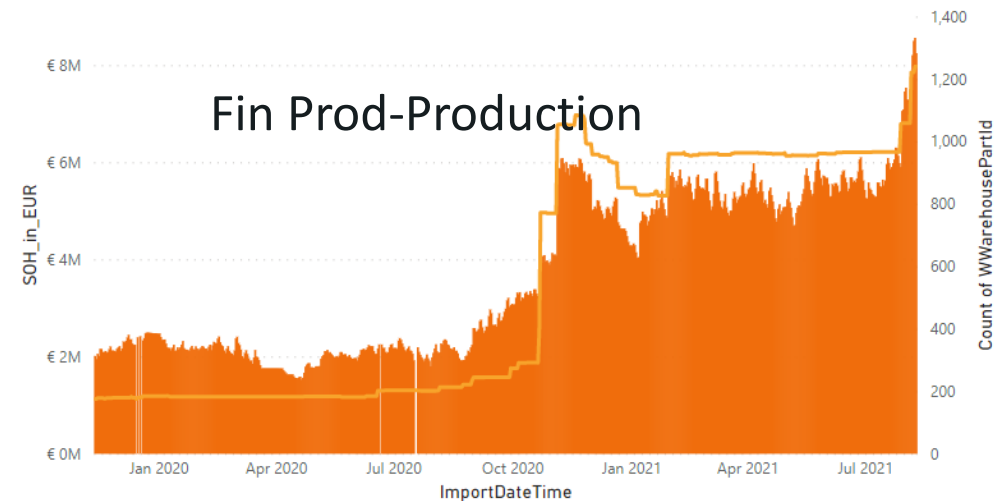
SOH (EUR) and #Materials

SOH_in_EUR Count of WWarehousePartId



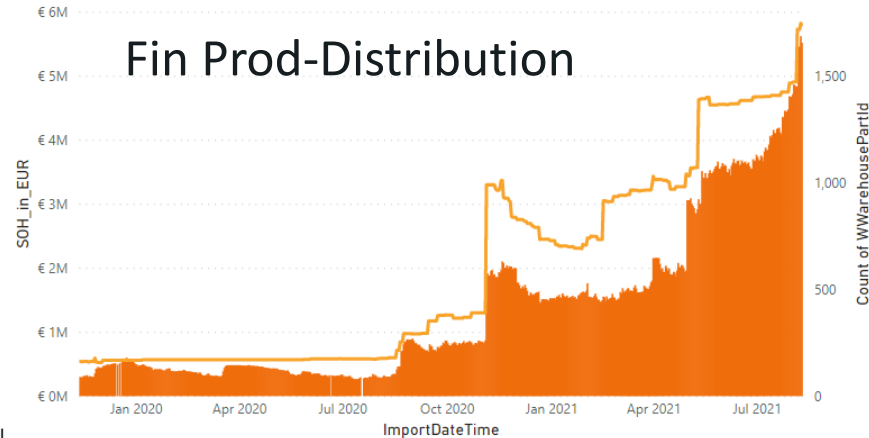
SOH (EUR) and #Materials

SOH_in_EUR Count of WWarehousePartId

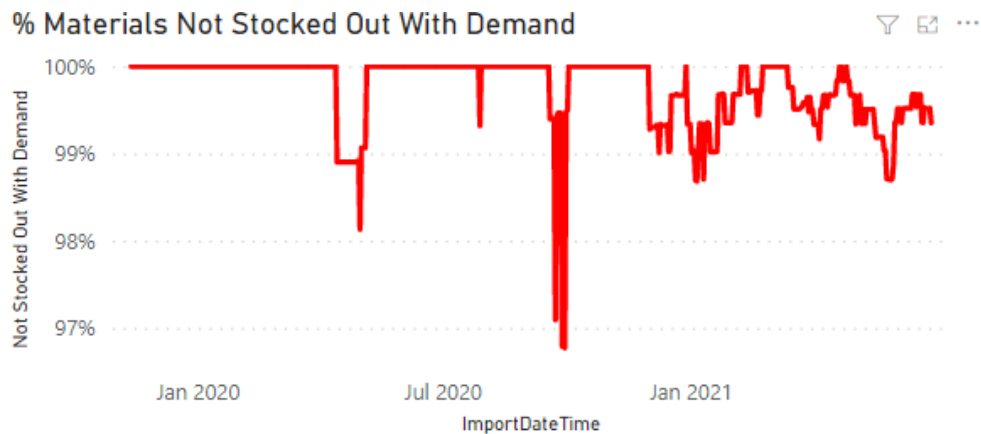


SOH (EUR) and #Materials

SOH_in_EUR Count of WWarehousePartId



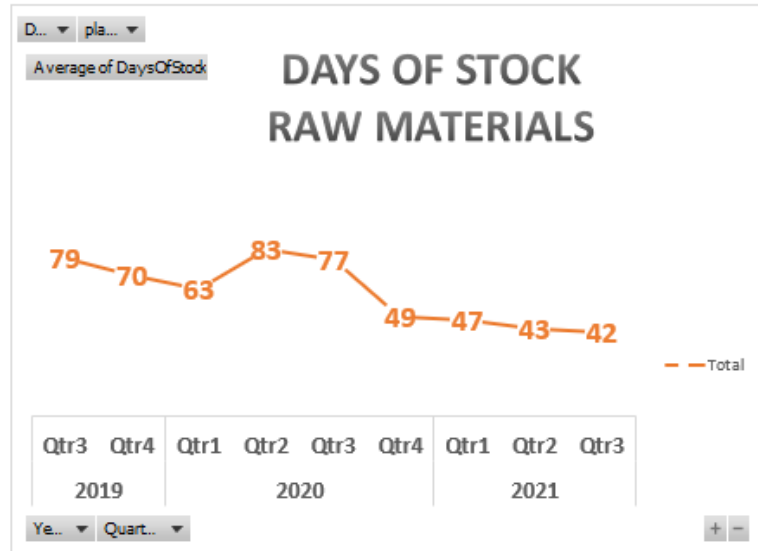
Where are we today: Service Level of centrally planned Raw Materials



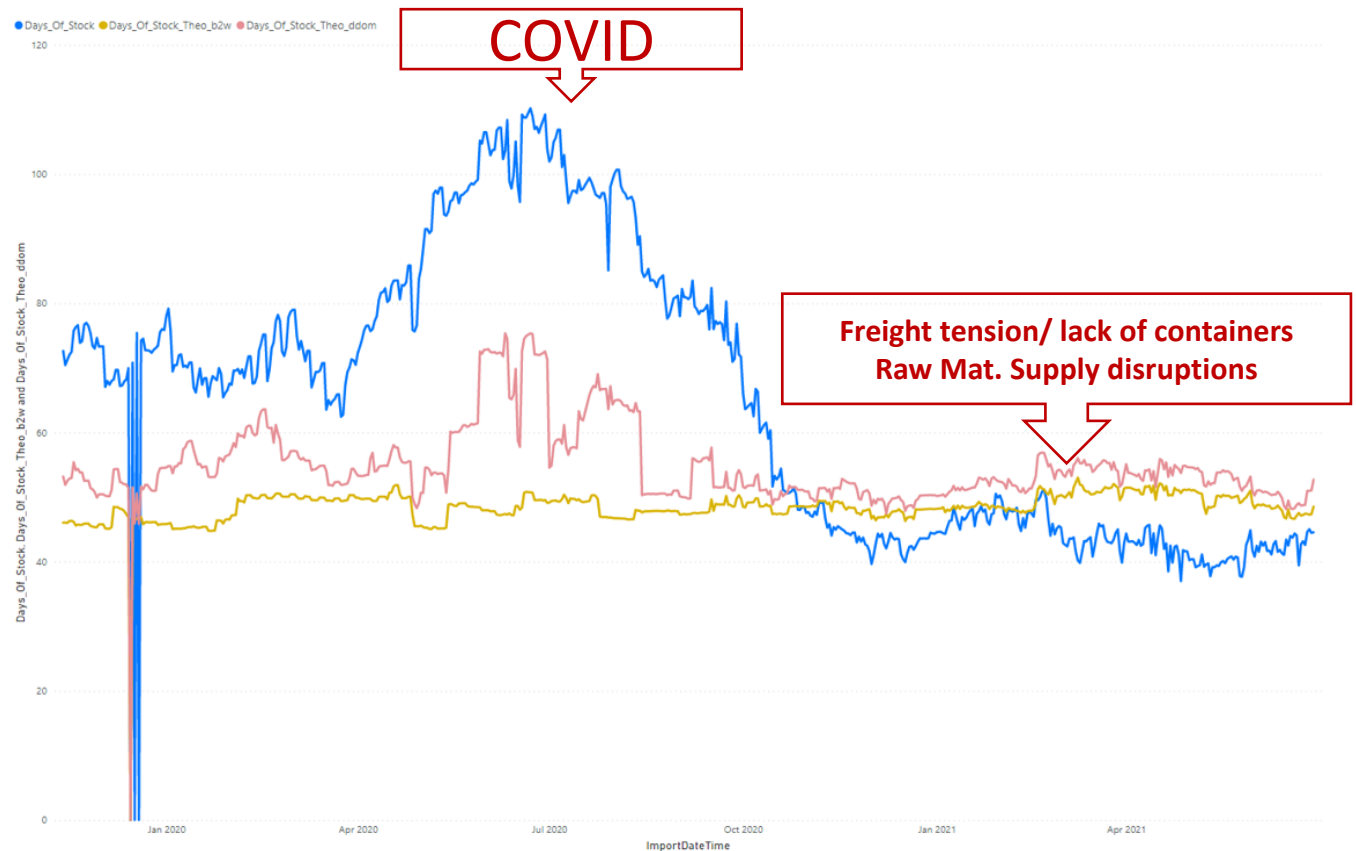
Service level still high (>98%) despite high variability
(COVID/FREIGHT & CONTAINERS CRISIS)

2019	2021
4 plants	30 plants
13 buffers	899 buffers

Where are we today: Days of Stock of centrally planned Raw Materials



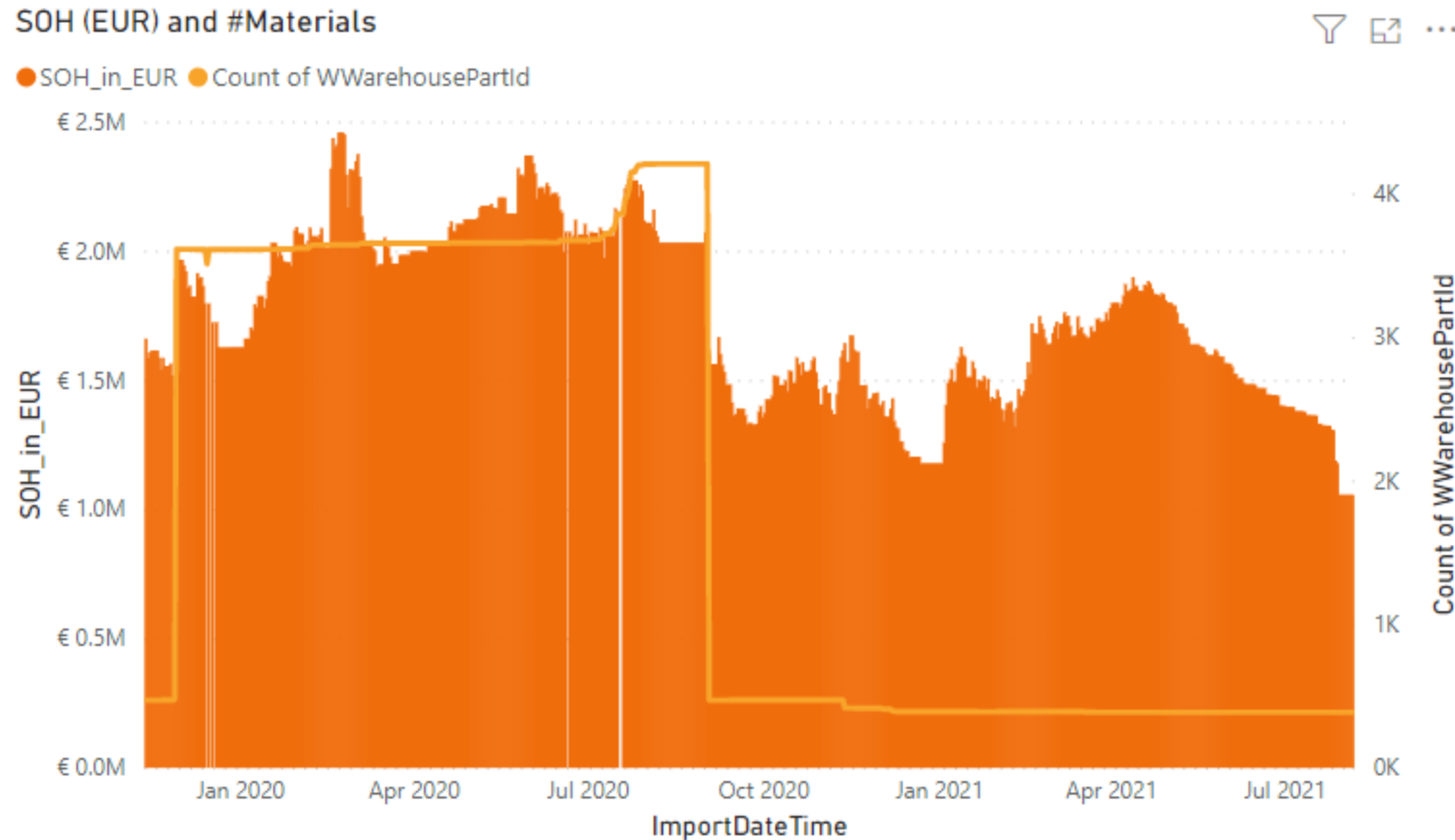
2019	2021
4 plants	30 plants
13 buffers	899 buffers





Where we are today : Paint Factory

2020/2021



The Year 2020 was tough for the paint factory and planners

Raw materials were hard to get (Binder and Pigments) leading to a situation where it was difficult to accept DDMRP order proposals.

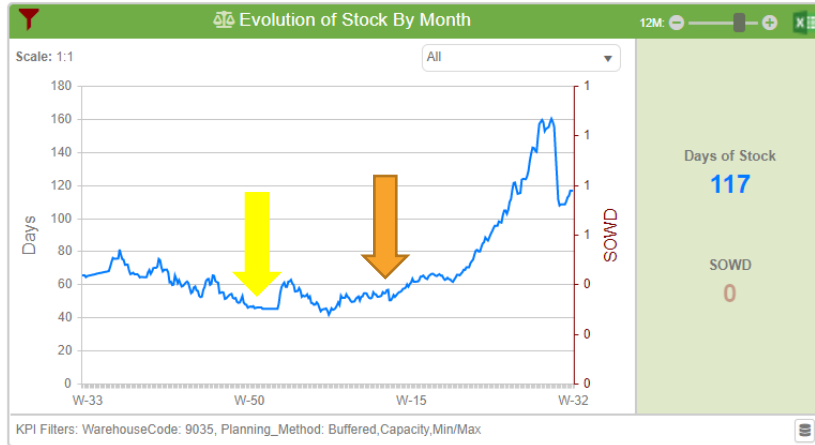
Finally Finished product were excluded from the tool after a few workshops

End of Year 2020 it was decided due to Raw mat situation to increase coverage on FP at customer side leading to increase of the stock and more cycles of RM

We could very easily implement this management decision by adjusting Variability factor (in 1 Policy group)

Where we are today : Paint Factory

2020/2021



In the context of footprint rationalization, ETEX consolidated the activities in one European factory.

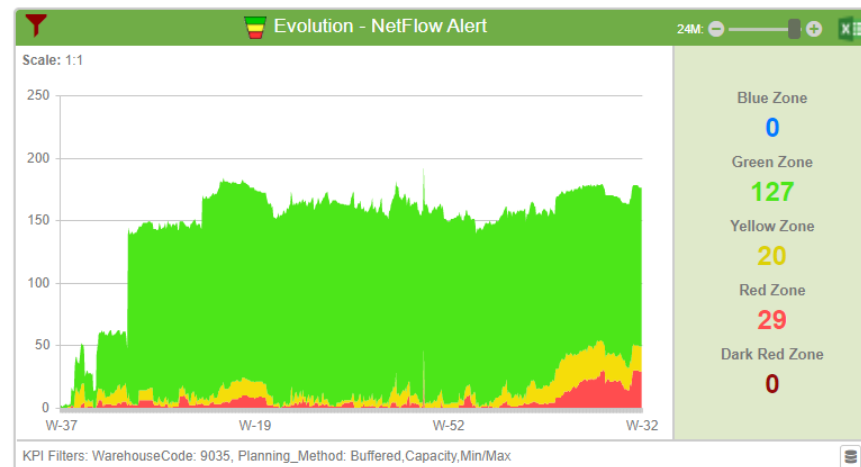
As a result a stock build needed to be done and that explains why the Days of stock are higher than the recommendations (Orange arrow in figure 1)

If we focus on the period before we can see that the levels were well managed with around 50 to 60 days of stock.

In parallel Etex stopped year end tactical stock reduction which generated in the past too much bullwhip effect. (Yellow arrow figure 1)

The second Figure highlights the fact that the scope was under control with few buffers in Red

The rationalization naturally resulted in a centralized management of the buffers for this commodity.

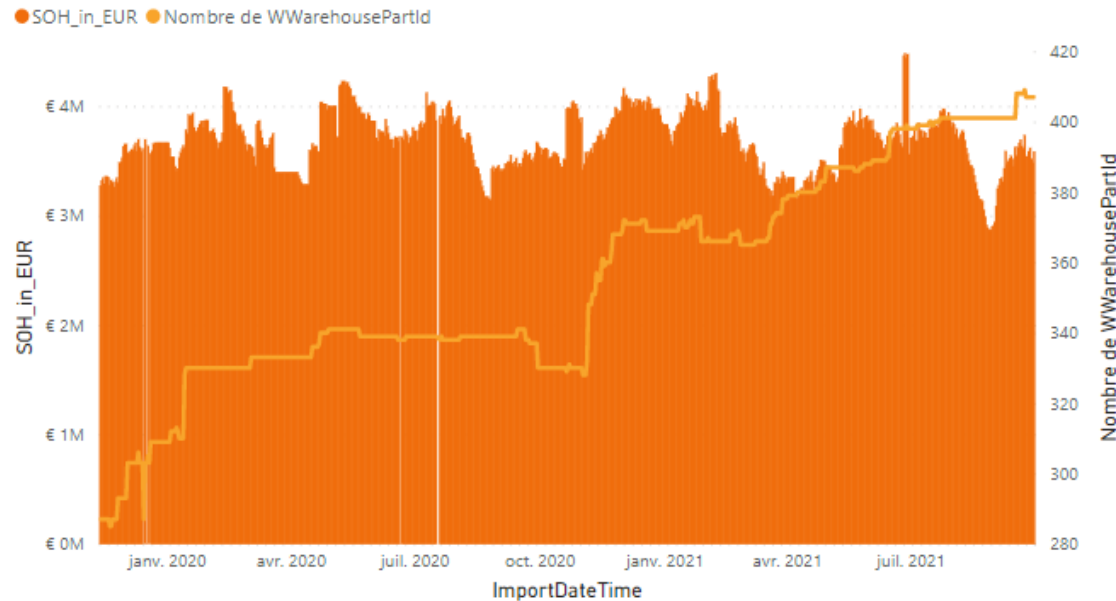




Where we are today: Plasterboard Factory

2020/2021

SOH (EUR) and #Materials



After additional training and support, the DDMRP is fully live/adopted locally for raw materials, packaging and Traded goods.

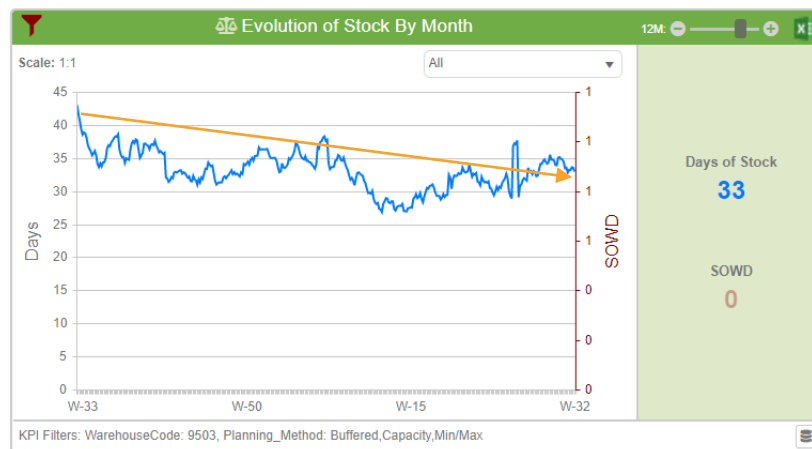
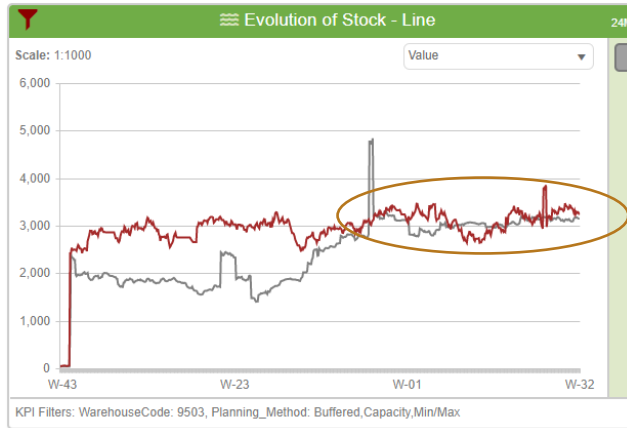
Unfortunately the set-up is still incomplete for the Finished products (link with capacity constraints to be done)

- ➔ The plant is the most flexible one in the network and has to be agile
- ➔ They are the "buffer" for the other less flexible factories



Where we are today : Plasterboard Factory

2020/2021

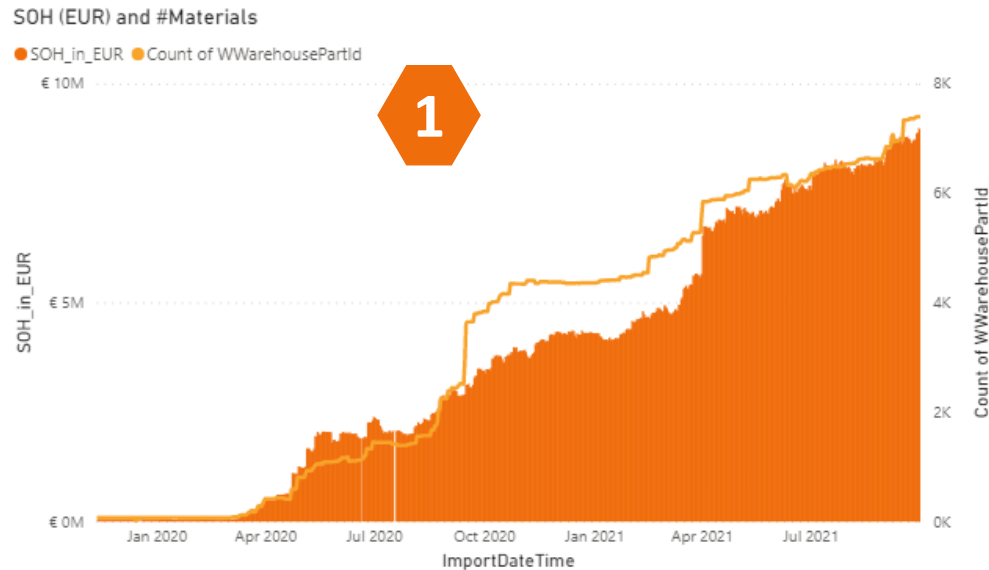


Nice achievement
since last year :
realignment of the stock
versus theoretical target
from 40 days + of stock to
33 days of stock currently

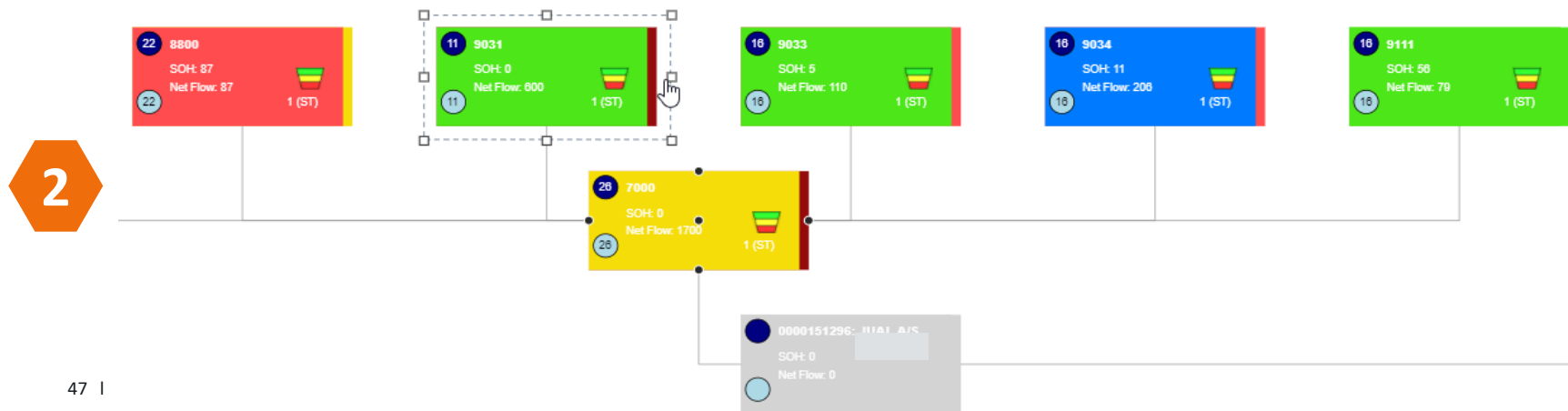


Where we are today : Traded goods

2020/2021



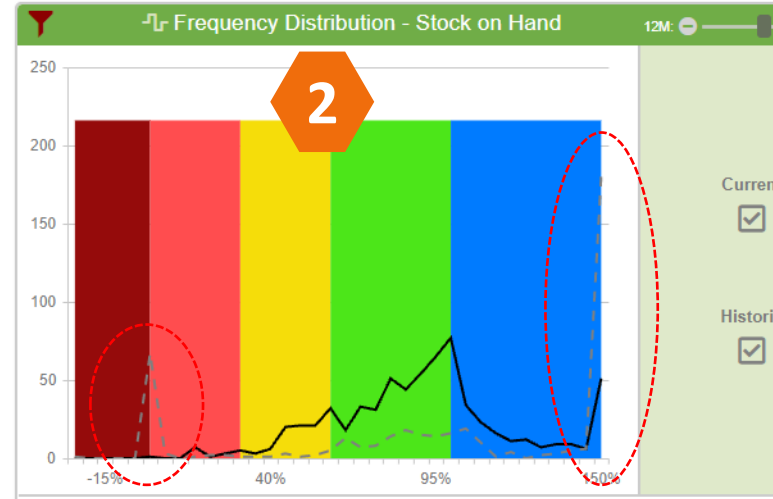
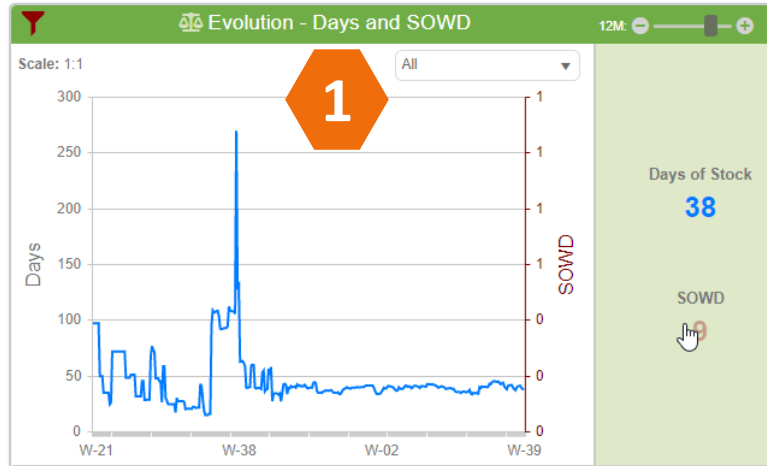
1. Steady growth of nr of materials (Oct 2021: 7400 material in 49 plants/DC's) and SOH value (8 MEUR); 1400 of those belong to one of our key suppliers for accessories.
2. Distribution Network shows the central planner the Netflow and SOH alert in the complete supply chain. Each block represents the Netflow in 1 plant. In many cases intercompany stock transfers can prevent external purchasing.



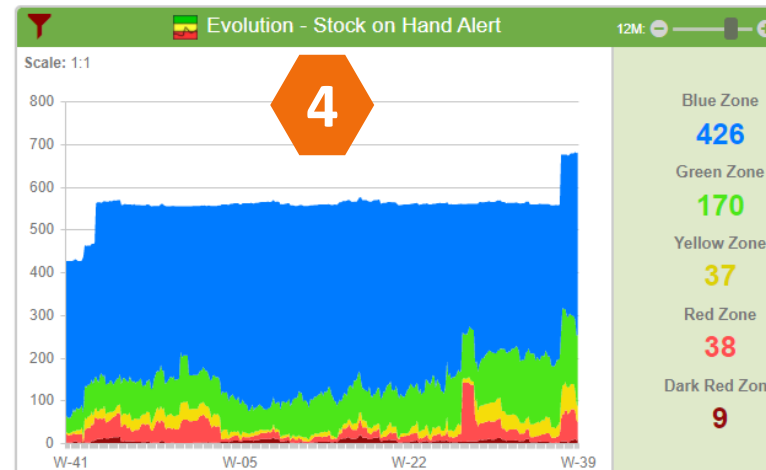
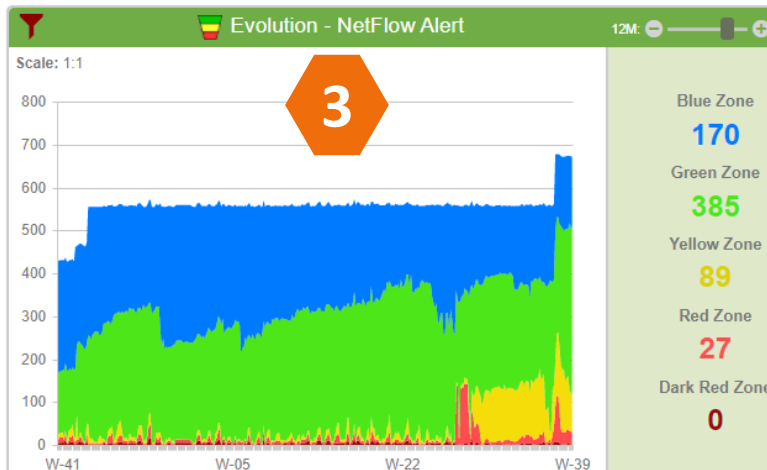


Where we are today: Traded goods of one of our key suppliers

2020/2021



1. Days of Stock down from 70+ to around 40 days
2. Less items in red and blue zones of SOH; more in green zone: Less outliers so we rightsized our stock; less “bimodal” stock distribution

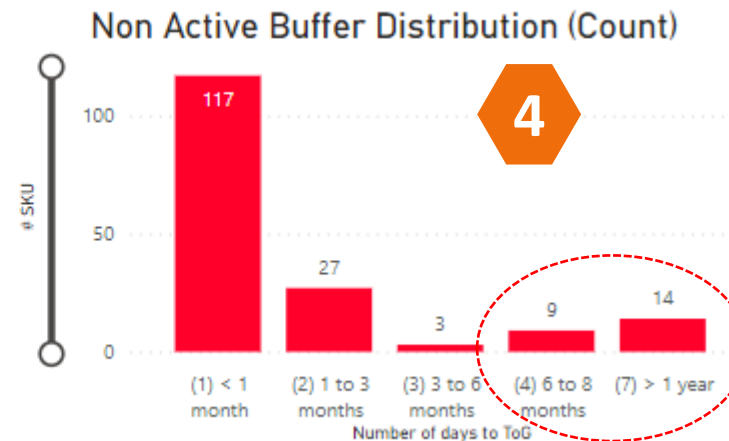
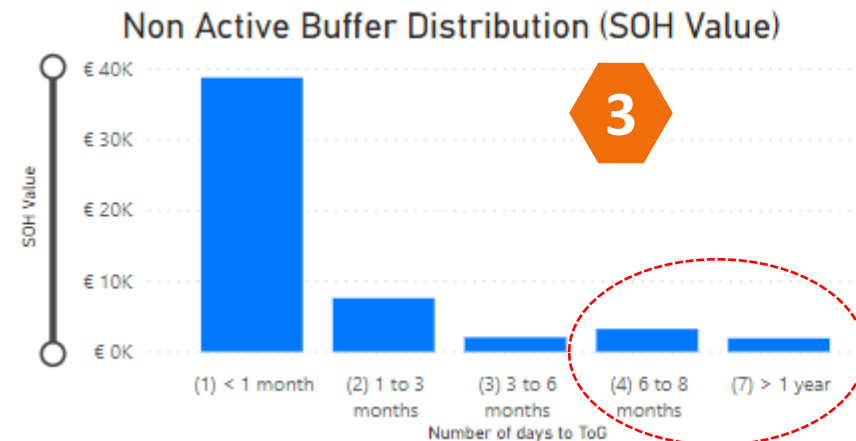
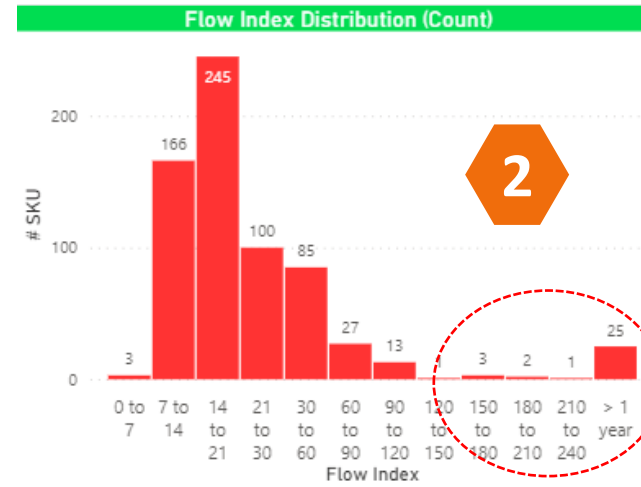
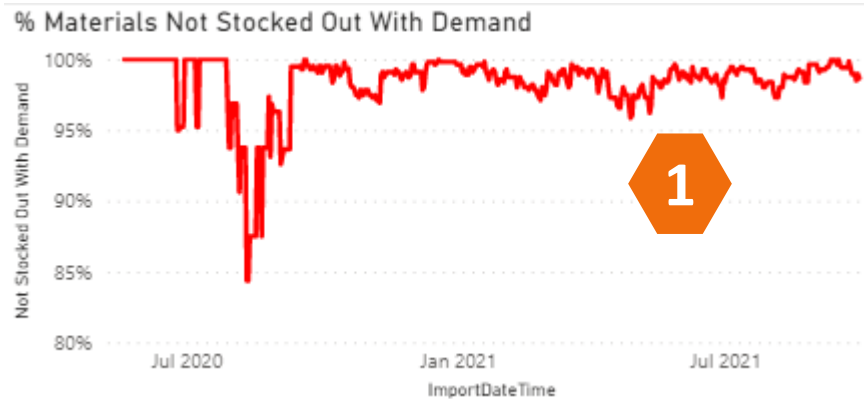


3. Less Netflow alerts in blue
 4. More SOH alerts in green
- Still a lot of overstock (slow movers)



Where we are today: Traded goods of one of our key suppliers (1400+ parts)

2020/2021



1. Customer service remains very high
2. For which materials is MOQ not aligned with ADU?
3. How much value in overstocked slow movers?
4. How many materials (and which ones) in overstocked slow movers?

COVID side effect: A strong Etex-internal core team



Isabelle Bellessort
Head of Global Supply Chain



Estelle Gerard
Business Process Manager DDMRP and Scheduling



Claire Ané
Supply Chain Planner Manager
DDMRP Champion RM and TG



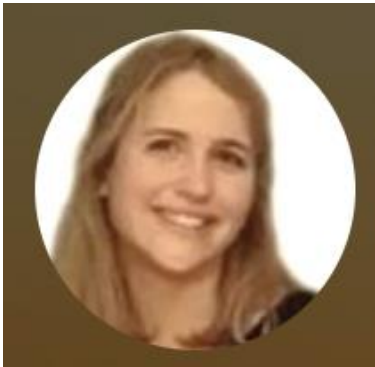
Charlotte Clark
Network Planner
DDMRP Champion UK&Ireland



Daniel Keating
Head of Global Supply Chain Planning



Philippe Leduc
Plan Coordinator



Marie Maldeme
Supply chain Planner
DDMRP Champion RM and TG



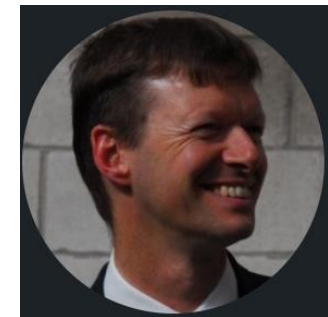
Jan Hoeckenschnieder
Teamlead Replenishment
DDMRP champion Germany



Anja Daems
Supply Chain Planning Manager



Baptiste Soublin
Central Planner Paints
DDMRP Champion Paints



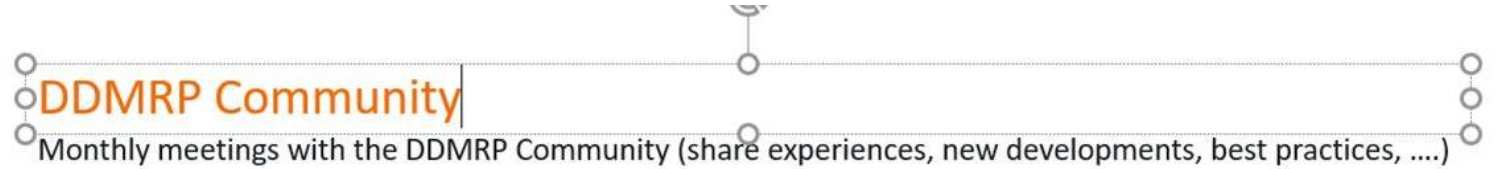
Peter van Cuyck
Product Manager DDMRP Solutions
Internal consultant for Demand Driven

Our DDMRP Roadmap



Status august 2021

- 45 Locations
- 13000 Buffers
- 78 DDMRP planners
- 40 Viewers
- 2 Power BI Dashboards
- Strong User community
- 5 DDMRP Champions



**Section 4 –
Improve**

**Nov 2020 –
Today**

Section 4 – Improve (November 2020 – Today)

- How we drive improvement through tactical adaptive cycles
 - We define clear portfolio's and actively manage those parts (DD S&OP meetings etc)
- Analytics we used to identify opportunities
 - Data Mart from our supplier enhanced with Etex data from our SAP system and other sources
 - Visualizations with Power BI
- How the model was reconfigured to address those improvement opportunities
 - Simulations in the tool (e.g. show impact of reduced MOQ on stock value, this defines headroom for price increase)
 - Simulations in Excel
- Examples of results obtained
 - See next slides

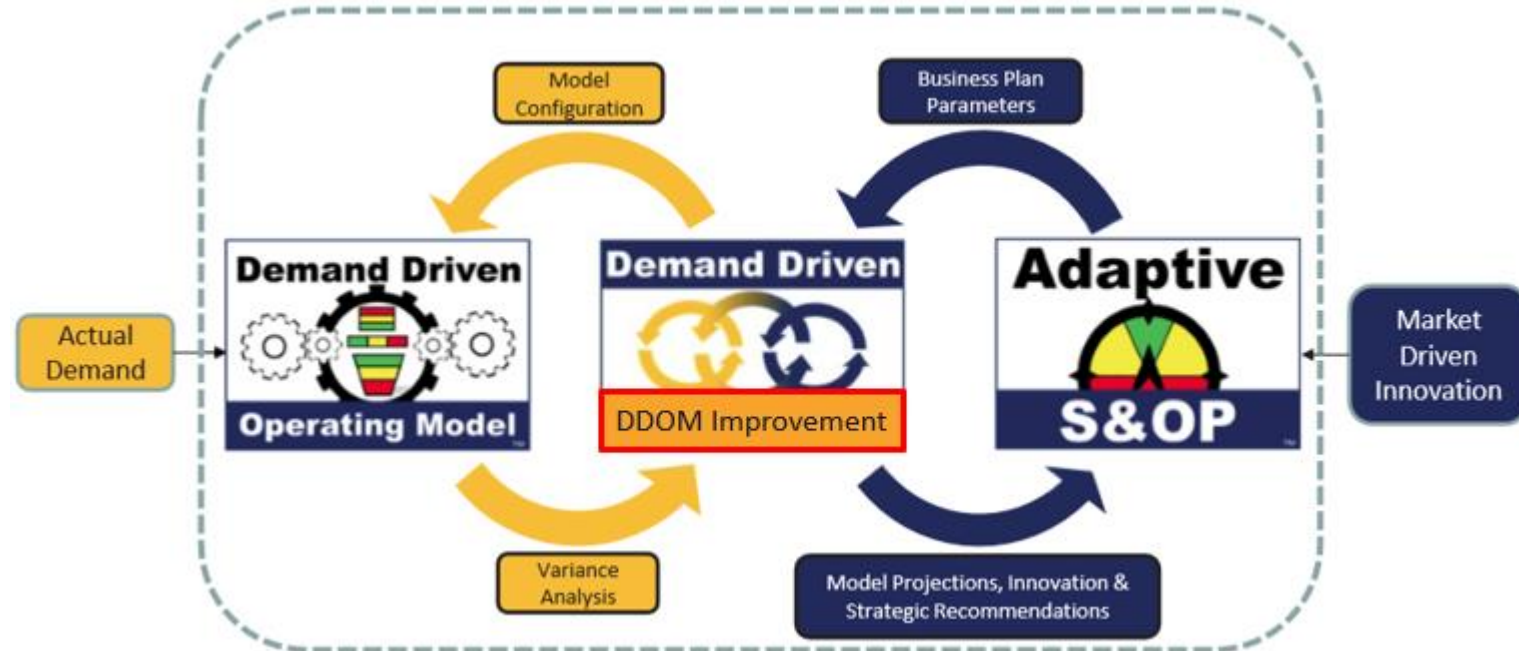
Demand Driven S&OP: DDOM Improvement

Variance Analysis:

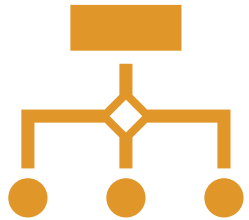
- Using Power BI to visualize various aspects of the performance of our DDOM

Model Configuration

- Simulating new settings in our DDMRP tool (Minimum ADU, MOQ, LT and Var Factors,...)



Our Focus points in DD S&OP



Order Compliance

Goal: build trust in the buffers, optimize sizes of the buffers



Flow Based Metrics

Flow Index (goal: reduce MOQ's)

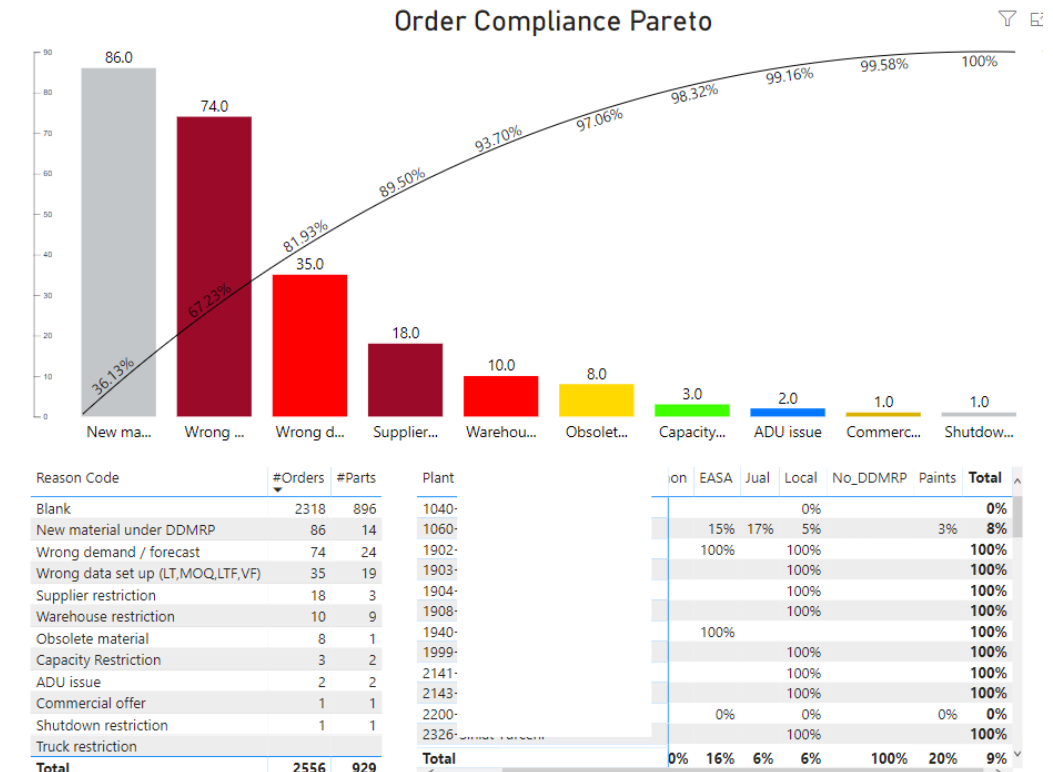
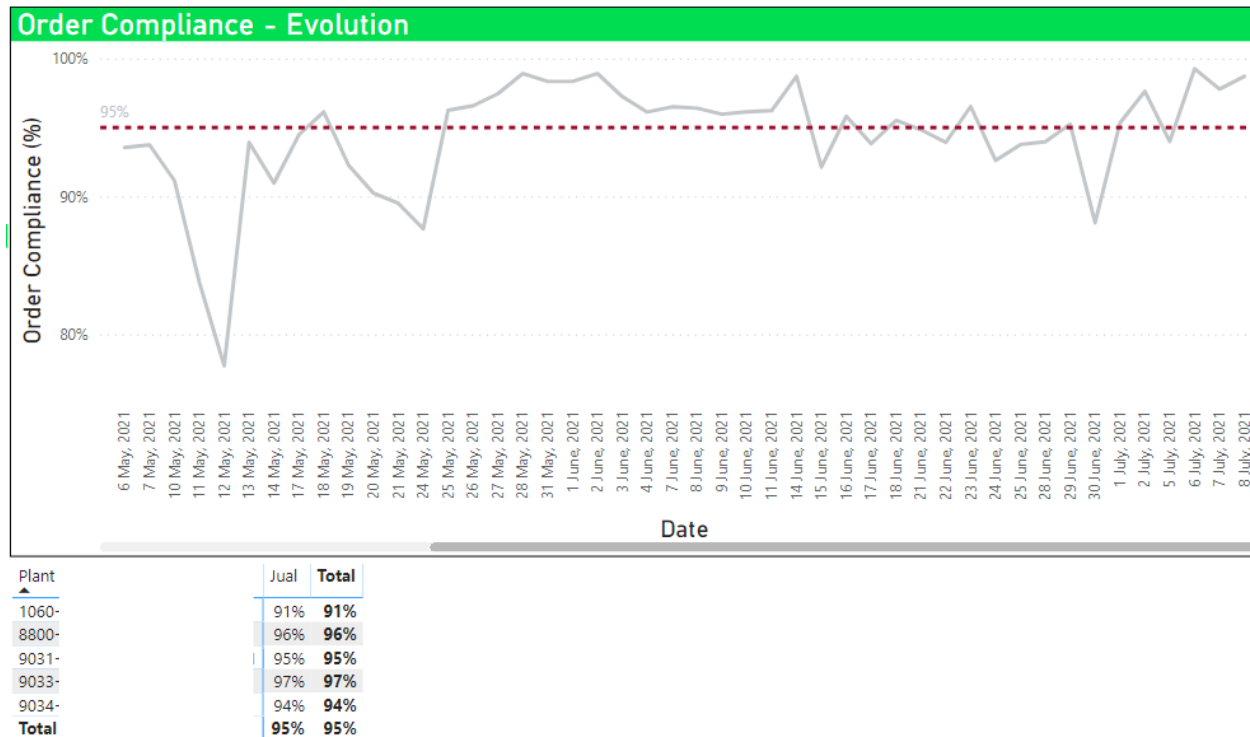
Non Active buffers (goal: reduce overstock)

Global buffers (goal: optimize stocks throughout the supply chain)

Customer service versus Days of Stock

Order Compliance

- To what extent do planners follow the DDMRP order proposals
- Use Reason Codes to understand why not



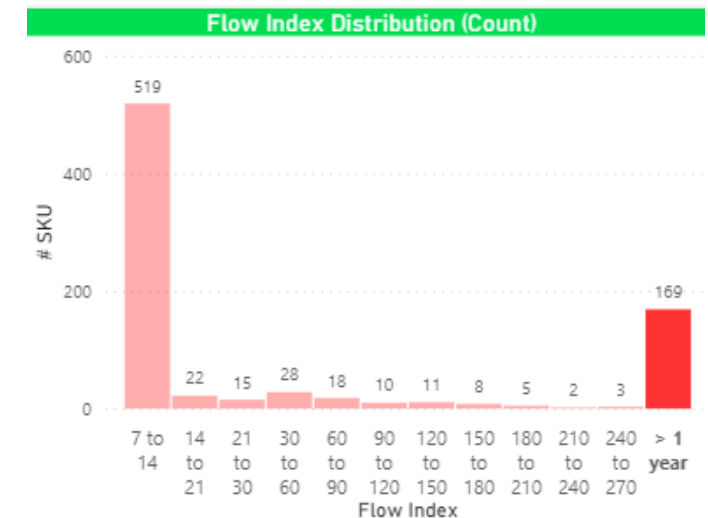
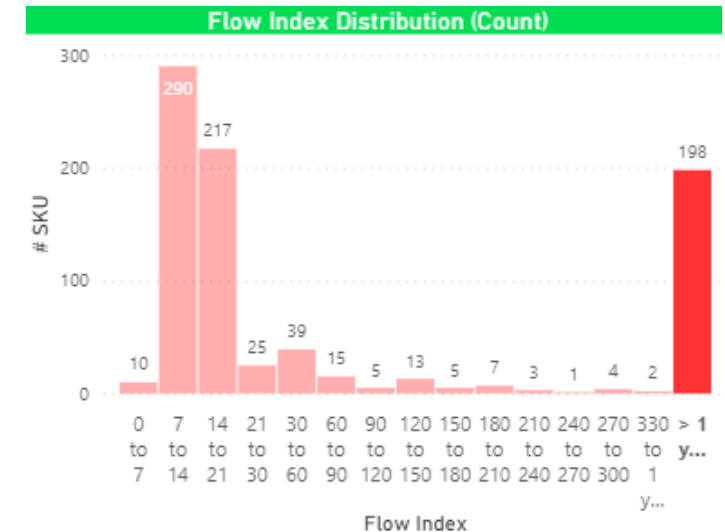
Flow Index: Green Zone divided by ADU

- For which parts is MOQ not correctly aligned with ADU
- Our German plant is using these graphs in meetings with Purchasing
- Tangible results for Traded Goods in this plant: june 1st 2021 (upper graph) vs october 1st

Date	#Parts	Flow Index > 1year (#)	Flow Index > 1year (EUR)
June 1st	834	198	25 kEUR
October 1st	810 (-3%)	169 (-16%)	24 kEUR (-4%)

- Table shows the individual materials, sorted by value of their Green Zone. This helps to set priorities: Focus on parts with the highest value of the Green Zone

WareHouseCode	PartCode	PartDescription	FlowIndex	GreenZoneValueEuros
9501	4045585		929.15	€ 250,800
6301	4080609		9,999.00	€ 52,980
7000	4083713		9,999.00	€ 22,050
1903	4047494		1,262.63	€ 20,220
2326	4006465		9,999.00	€ 18,587
6301	4078835		9,999.00	€ 18,400
9502	4045479		2,211.98	€ 17,712
6301	4080383		1,503.76	€ 17,172
6301	4080596		12,878.79	€ 17,060
6301	4068045		9,999.00	€ 15,595
1903	4047447		9,999.00	€ 15,400
6301	4080597		1,796.30	€ 15,400
6301	4080595		54,000.00	€ 13,941
7000	4083711		9,999.00	€ 13,860
1940	4038529		361.81	€ 13,680
7000	4053602		1,894.24	€ 13,536



Non Active Buffers

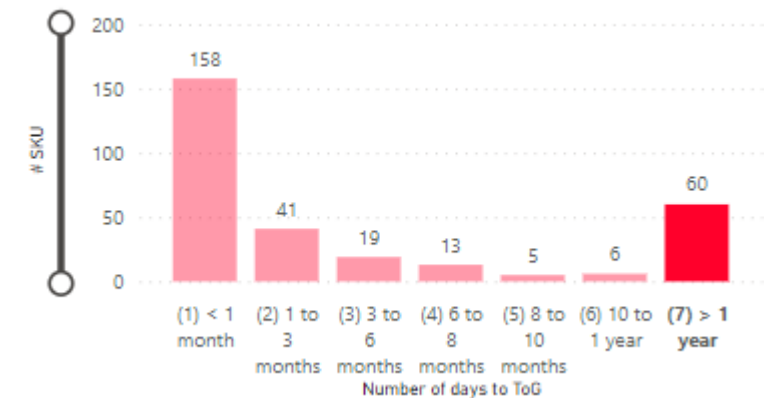
- Focus on overstocked items with a low ADU
- Nr of Days to Top of Green = (Netflow – TOG) / ADU
- Tangible results for the traded goods of our main supplier:

Date	#Parts	#Non Active (in BLUE)	#Non Active > 1 year
July 1st	1147	242	60
October 1st	1437 (+22%)	165 (-38%)	14 (-124%)

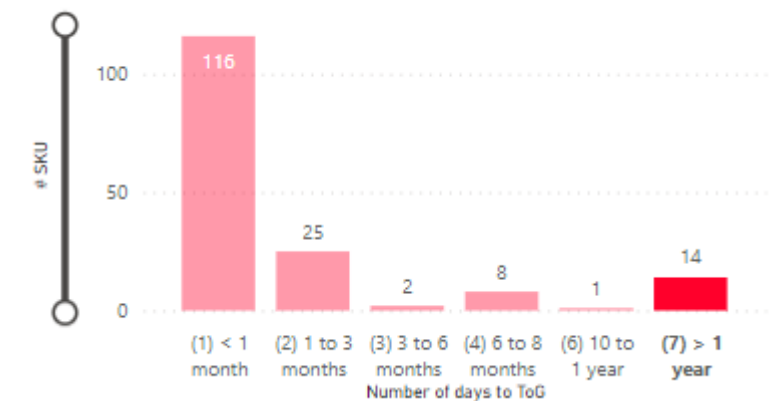
- Table shows the individual materials, sorted by stock value. This helps to set priorities: Focus on parts with the highest stock value. The last column shows the number of plants where the material exist. If 1 material exists in several plants a cross shipment can be considered

WareHouseCode	PartCode	PartDescription	StockOnHandCostEuros	ActiveBuffer	Number of warehouses
5341	4079997		€ 66,173	1010	1
5341	4061280		€ 59,525	512	1
7000	4055974		€ 39,381	158315	1
9502	4052740		€ 22,344	625	3
9501	4055645		€ 22,289	9999	3
8803	IEMTRNPOLCA1333660		€ 21,445	1449	1
7000	4053597		€ 18,706	3047	1
1940	4076105		€ 18,280	12337	1
7000	4053602		€ 16.931	729	5

Non Active Buffer Distribution (Count)

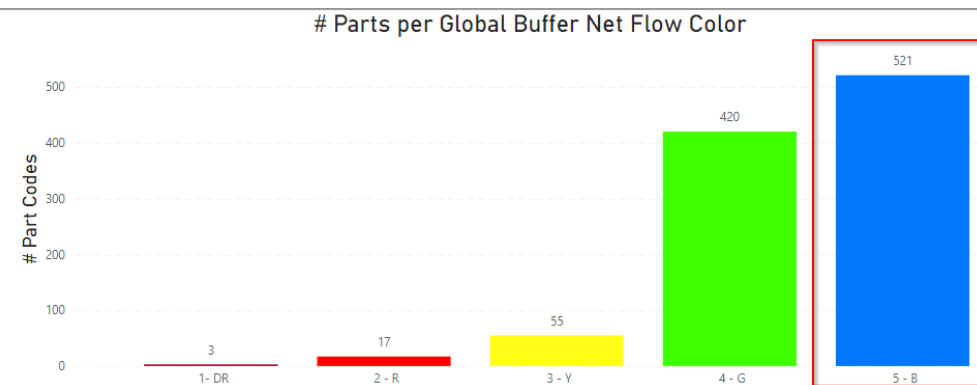


Non Active Buffer Distribution (Count)



Global Buffers

- Focus on overstocked items which are in Red or Dark Red in another plant
- Global Netflow = Global SOH + Global Open Supply – Global Qualified Demand (Global means: sum over all plants)
- If Global Netflow = BLUE but Local Netflow = DR or R: consider cross shipment

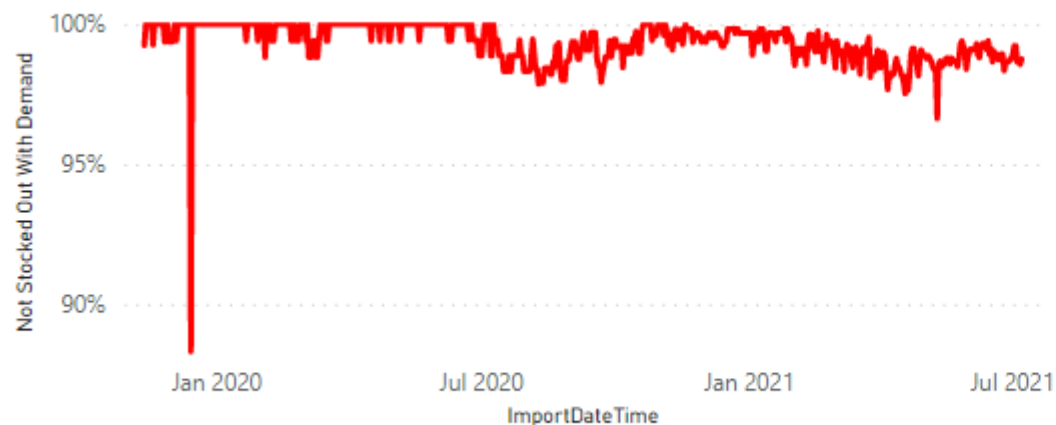


Part	PartDescription	#Plants	#DR	#R	#Y	#G	#B	ADU	SOH	Supply	Demand	NF	TOR	TOY	TOG
4031280		6	1			1	4	16	537	915	181	115%	407	791	1105
4054489		2	1				1	14	0	1584	900	107%	272	488	639
5106145		2	1				1	0	25356	0	46	102%	0	0	24750
91159		3	1	1			1	32	4883	6400	272	858%	439	787	1284
91188		3	1				2	18	360	3168	192	490%	219	393	681

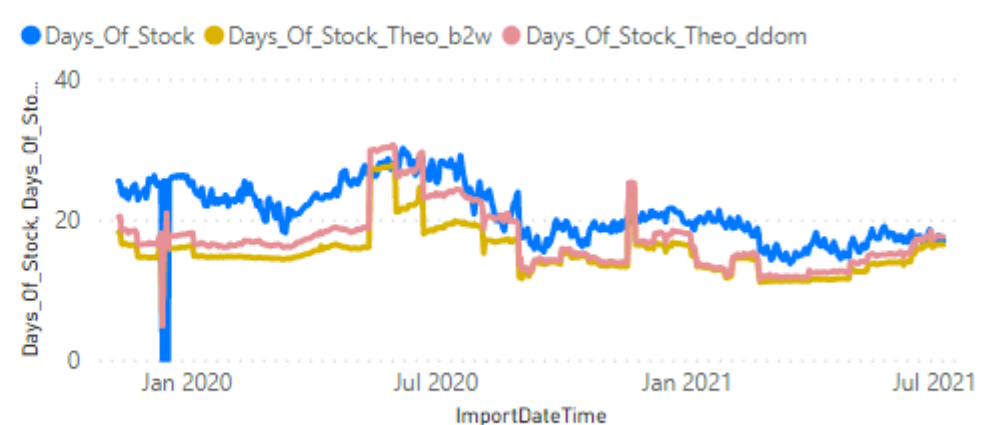
Customer Service versus Days of Stock

- $\text{Nr of Materials not SOWD (Stocked Out With Demand) / Nr of Materials}$
- Days of Stock
- Note: physical stock approached theoretical stock
- Note: covid effect in Q2-2020, but we recovered within a few months

% Materials Not Stocked Out With Demand



Days Of Stock



Section 5 – Lessons learned

Main Lessons Learned

Section 5 – Main Lessons Learned

- Set up a governance with a strong and committed steering committee and sponsors
- Start defining basic KPI's for improvement and dashboards
- Invest in training (DDP and DDL) and in management games (e.g. DD Brix)
- Identify Local champions (ideally in local language) + set up user community
- Start with live data in the production environment as soon as possible
- Make sure that the planner is always in control
 - Start with only 5-10 materials (per plant, per portfolio)
 - Spend time to get these buffers set up correctly
- Make sure to interface with your ERP system
- Traded Goods for us was low hanging fruit: an excellent opportunity to build trust and to show benefits
- Transactional data and the discipline to post them in time are key: the flow of materials and the flow of information should be aligned at all times
- User friendliness of tool and methodology help to get the new process adopted easily and quickly
- **Becoming Demand Driven is a journey, we are on a continuous improvement path**

Section 5 – Main Lessons Learned

The central approach works

- The strategic Raw Material (RM) implementation project has proven it works with a centralized approach and has several advantages :
 - Support the organization and facilitate arbitrations when there is a supply crisis (what we are living today is the perfect example)
 - Build up a close relationship with global category managers to alert S&OP teams when there is a restriction or the other way around and facilitate Group decisions accordingly
- For the paint, we also realized how important this central planner position was to arbitrate easily Group decisions and allocations.
- The last example of centralization is a recent project done with one of our Business Units which had a very immature Supply Chain:
 - Buffers are implemented on Traded Goods
 - The central planning team (Strategic Raw Mats central team) is in charge of the entire flow -> **there is no validation done locally anymore**
 - With the experience of the Team, the project has been implemented very quickly thanks to the knowledge already there.

Section 5 – Main Lessons Learned

Awards and recognition

- At Etex we have a system where team mates can nominate colleagues for an award
 - 1 team member received an Excellence Award
 - 4 team members received an Impact Award
- It is important to publish and celebrate successes
 - We frequently post success messages on our Intranet (called EtexCore)
 - One of our Board members recorded a podcast where planners explain how they use DDMRP in their daily work



CONCLUSION

Our Values are driving our culture

Implementing the DDMRP methodology was fully in line with our Values and Leadership principles



- We are passionate about delivering the best project to our organization by reaching high Supply Chain Standards and by excelling in executing our promises.
- We care for people, their safety and environment and we believe in the power of teams and partnerships; together we build the sustainable success of Etex. Thanks to this project we developed our team mates and ourselves.
- We continuously seek inspiration in the world around us to bring innovative solutions that create value and success in the marketplace. We were pioneer in this area while implementing this new innovative planning solution.
- We used our leadership principle "*Pause to reflect and learn*" to adjust our roll-out approach.

Abbreviations used in this Case Study

APO	Advanced Planning and Optimization
BPM	Business Process Manager
DP	Demand Planning
ERP	Enterprise Resource Planning
FP	Finished Products
PPDS	Production Planning and Detailed Scheduling
RM	Raw Materials
SNP	Supply & Network Planning
SOWD	Stocked Out With Demand
TG	Traded Goods

Thank you

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