

Synopsis

Strategic planning

- Maximize corporate financial objectives
- Oversight by BOD and Wall Street

The current situation

- Supply Chain and Marketing plan independently
- Marketing initiatives do not capture Supply Chain impacts
- Supply Chain planning assumes fixed demand
- Unprofitable investments can result

There is a better way

- Discard the notion of fixed demand for Supply Chain planning
- Build demand scenarios
- Optimize the combined demand and Supply Chain planning

Integrated Enterprise Strategy

- Rigorous software with optimization engines
- Experienced consulting services and training support

INSIGHT: Integrated Enterprise Strategy

You've seen and heard all of this before...

The VP of Marketing makes the annual pitch for a budget increase to cover inflation, new ad campaigns, and a larger sales force for those new international target markets.

The VP of Procurement is anticipating materials cost increases and a new supplier certification program.

The VP of Manufacturing is facing labor cost increases and needs more capacity (overtime and/or capital expansion) if the marketing campaigns actually deliver.

The VP of Supply Chain (actually, finished goods distribution but the title sounds better) is wrestling with escalating fuel costs, driver shortages, those service enhancements negotiated unilaterally by marketing, and sharply higher transportation costs and port handling charges because of the new Pacific Basin outsourcing initiative.

That same outsourcing initiative blindsided you last year with international duty and tax costs and the 3-month in-transit inventory "float" that somehow got left out of the planning.

Everyone has an opinion about inventory. Manufacturing needs the plant warehouse space for expansion and is talking up pushing it to the field and "postponing" final processing. Distribution is championing "risk pooling" and wants it centralized. Marketing says that we are "getting killed" by competitors who have better stock availability.

Your outside consultant is recommending yet another reorganization to get in line with the latest "best practices."

Finally, the CEO is being hammered on the quarterly analyst calls because of stagnating profits and wants some answers...soon.

So...let's summarize:

Marketing, as usual, is focused on volume (evaluation and bonus metrics)

Procurement, manufacturing, and distribution are focused on cost containment (evaluation and bonus metrics)

The CEO is being judged in the boardroom and on "The Street" by the profit numbers.

And you are caught squarely in the crossfire of warring spreadsheets, a process that repeats itself every month when marketing and manufacturing square off in the sales and operations planning (S&OP) meeting to reconcile their differences.

Do you go home at night saying that there **must** be a better way? There is.

Suppose you have a powerful integrated enterprise strategy tool that:

- Focuses on maximizing corporate profitability (and ultimately return on shareholder equity)
- Incorporates *all* corporate operations simultaneously, including procurement, manufacturing, distribution, **and marketing**
- Identifies the marketing initiatives, or campaigns (from among many proposals) that you should actually implement (as well as those that you should *not* approve) and allocates those budgets to the markets, channels, and products that *yield the greatest margin*, while **simultaneously** evaluating the impact on the entire supply chain, from raw material procurement to final customer delivery (it is clearly pointless to generate demand that cannot be satisfied at all, at a profit, or where there are more profitable alternatives)
- Explicitly includes procurement costs and capacities, manufacturing costs and capacities, all transportation, warehousing, duty, tax, port handling, and in-transit inventory costs, customer service requirements, and marketing costs and budget limits

Contact INSIGHT

INSIGHT software and consulting provides optimization-based planning and scheduling to solve the supply chain management issues of the world's top companies. Clients rely on INSIGHT to gain the greatest competitive advantage.

INSIGHT clients include...

- Abbott Laboratories
- BASF
- Cadbury Schweppes
- Cardinal Health, Inc.
- Chiquita
- Circuit City
- The Clorox Co.
- ExxonMobil
- Footwork Express
- Gillette
- General Electric
- Hill's Pet Nutrition
- Inst for Defense Analysis
- Johnson & Johnson
- Kellogg Co.
- Nestle Purina
- Nordstrom, Inc.
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- Pfizer
- Toyota

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- Shows you which markets, channels and products are losers and which ones are winners
- Identifies the optimal set of locations: suppliers, manufacturing, distribution centers, ports, cross-docks, and so on
- Develops a strategic sourcing plan in the context of the entire supply chain, not in isolation. In the process, it rigorously evaluates global outsourcing and other "make or buy" decisions
- Identifies where capital should be allocated, both short and long term
- Identifies vulnerabilities in the supply chain and suggests mitigating strategies
- Uses a remarkably powerful mathematical optimization engine, comes equipped with a host of support databases, can tap into detailed corporate business systems, is applicable anywhere in the world, is exceptionally easy to use, runs on a laptop, and is the evolutionary result of continuous research, development and collaboration over many *decades* of use by a significant percentage of the *Fortune 500*.

It's called ***Insight Integrated Enterprise Strategy***. There's never been anything like it because nothing else has ever successfully united marketing and all corporate operations. It understands at a very deep level what senior executives are facing. It stands ready to help. Are you ready to accept the challenge, outsmart the competition and reap the financial benefits?