

Inspirage®

INSPIRING VALUE CHAIN ADVANTAGE



Leadership Insights on S&OP Planning

Michael Groesch, NCR
December 18, 2013

- **About Inspirage**
- **Gartner-NCR Recording available**
- **Introduction to NCR**
- **Driving a supply chain transformation based upon S&OP orchestration**
- **Discussion with Michael Groesch**
- **Questions from attendees**



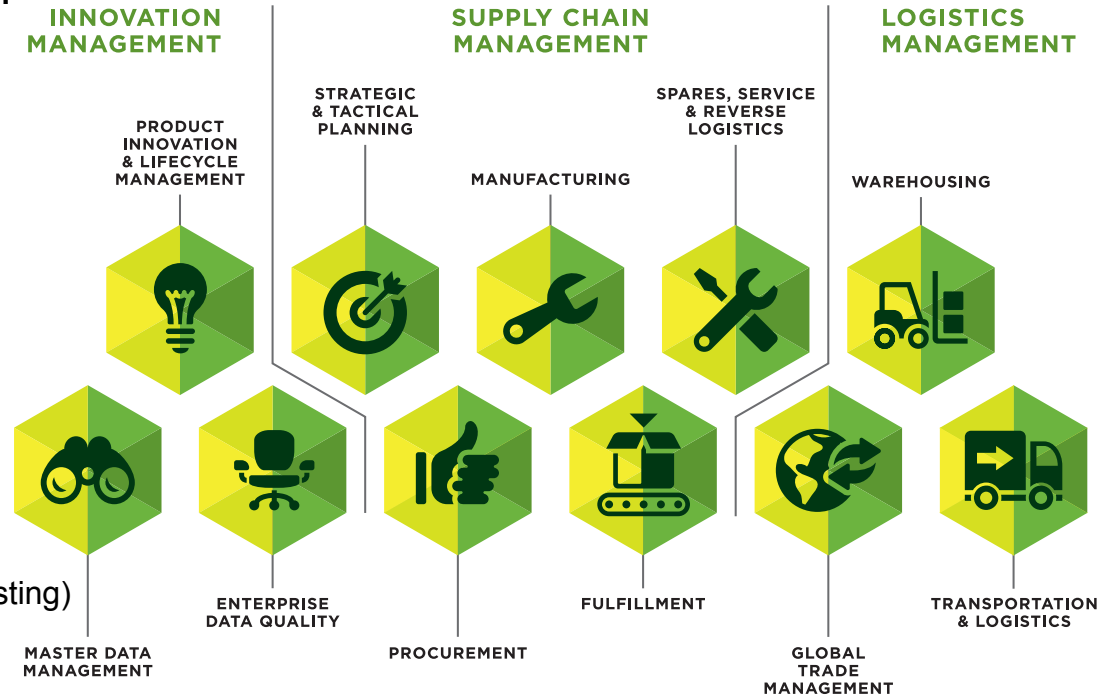
Inspirage is a high expertise global consulting firm focused on driving transformational business process improvements from ***Innovation through Execution™*** through the use of Oracle Supply Chain Management applications.

Recognized as the leading firm for:

- ❖ Supply Chain Planning & Optimization
- ❖ Transportation Planning & Logistics
- ❖ Product Lifecycle Management
- ❖ Reverse Logistics, Spares, & Services

Providing Industry specific programs :

- ❖ Supply Chain Strategic Advisory services
- ❖ Business process and solution design
- ❖ Accelerate and Industry specific solutions
- ❖ Value Chain Plus® (EPO®, BPS, and Hosting)
- ❖ Technical Architecture and services



Global clients across industries



Industrial



High Tech



Consumer Products - Retail



Healthcare, Life Sciences



Oil & Gas / Mining



Metals



Aerospace & Defense



Recorded Webinar available

You can view the entire webinar featuring Gartner's Jane Barrett and NCR's Mike Groesch.

www.inspirage.com/gartner-webinar

This presentation covers how leading companies:

- Build a resilient supply chain that can respond to market changes and uncertainty
- Deliver educated choices and an understanding of consequences for business leaders
- Determine the effectiveness of your existing Sales and Operation planning process
- Evolve your Sales and Operation Planning processes into Integrated Business Planning



Inspirage supporting NCR since 2006



2006

- Implemented Collaborative Planning Supplier Forecasting / VMI
- Led Solution Design for the CTO Flow Manufacturing rollout, Advanced Planning solution stabilization and architectural advice

2008

- Demantra S&OP prototyping and training
- ASCP and ODP performance and system architecture

2009-2011

- Demantra Demand Management and S&OP Global Deployment, Inventory Optimization prototyping, and Advanced Supply Chain Planning improvements.

2011

- Supported Exadata deployment for VCP applications
- Upgraded Demantra to 7.1 to 7.3

2012

- Upgraded Value Chain Planning instance 11i10 to R12.1.3.6



- Michael Groesch is a Vice President in Global Operations for Sales & Operations Planning (S&OP) and Product Life Cycle Management (PLM) across multiple lines of business at NCR Corporation. He has recently taken on new responsibilities to apply the same management processes to NCR Services business.
- Mike led the business process and systems redesign that has helped NCR move up the Gartner Maturity Model from React to Collaborate and now Orchestrate levels.
- Mike joined NCR in December 2008 after working at Microsoft Corporation for 13 years where he was involved in the Xbox manufacturing start-up and Xbox 360 strategy development. He installed the Entertainment and Devices Division S&OP process and custom tools at Microsoft and was also a product unit manager for the Zune Accessories business.
- Mike is a graduate from Purdue University with a master of science in industrial engineering and a bachelor of science in mechanical engineering and holds three patents.



Strong, stable and growing

\$5.73B

revenue
**(up 8% on 2011
revenue)**



300M

transactions
every day
around the world



13,000

Services
Professionals in
90 countries



**TOP 100
SOFTWARE
COMPANY**

2011 Tech Research
International



**TOP 100
GLOBAL
INNOVATORS**

2011 Thomson Reuters
Award



“NCR is . . . radically transforming the way business is transacted.”

SEEKING ALPHA

Making the everyday easier




SHORTER LINES

#1
provider of ATMs worldwide



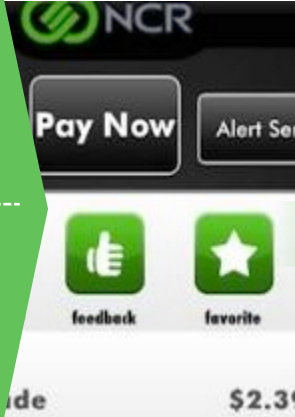
EASIER CHECKOUT

#1
globally in self checkout technology



FASTER PAYMENT

38%
of the top US-based chain restaurants use NCR



...across more industries and countries than anyone else in our market



SMOOTHER JOURNEYS

80%
of top US airlines use NCR passenger enablement



BETTER CONNECTED

8 of 10
top telecoms and OEMs use NCR



Global Manufacturing and Centers of Excellence



Duluth, GA
Corporate Headquarters

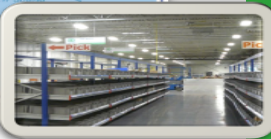
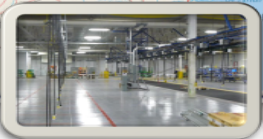
GEORGIA
POPULATED PLACES

100,000 - 499,999	• Atlanta
25,000 - 99,999	• Gainesville
24,999 and less	• Dublin
	• State capital: Atlanta

Peachtree City, GA
Center of Excellence



Columbus, GA
Manufacturing Hub



Global Manufacturing Hubs
• Beijing, China • Manaus, Brazil
• Puducherry, India



Budapest, Hungary
Center of Excellence
and Manufacturing Hub

Innovation in Solution Development and Manufacturing

S&OP Maturity Model

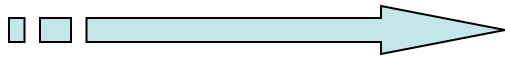
Strategy	Stage 1: Reacting	Stage 2: Anticipating	Stage 3: Collaborating	Stage 4: Orchestrating
Balance: S&OP				
Section 1: Goals	Development of an operational plan	Demand and supply matching	Profitability	Demand sensing and conscious trade-offs for demand shaping to drive an optimized demand response
Section 2: Cross-Functional Alignment	Supply chain driven process, with a strong sales and operational bias leading to imbalance. Lack of clarity as to the goal of S&OP.	Supply chain driven process for purposes of achieving optimum forecast and supply response to demand.	Supply chain becomes the S&OP orchestrator, and business functions take ownership of input, output and results, looking at financial impact.	Business ownership at multiple levels, with strong participation from executives and finance. Collaboration extends beyond the enterprise to achieve end-to-end value.
Section 3: Process and Technology	Emerging process, inconsistent and marginally effective. Often more of a sales review meeting. Tools are mainly Excel and ERP.	Formal, structured process. One-size-fits-all approach. Tools extend to include forecasting, SC planning and inventory optimization.	Process tailored to business model and needs. Dialogue, and start of use of tools, around what-if analysis for demand shaping, financial reconciliation and cost to serve.	Process becomes balanced, dynamic and event driven. Strong connection to strategic planning and execution. Tools also support risk-value trade offs, price optimization and complex simulation.

Source: Gartner (October 2010)

Vision

“Sell what we make, make what we sell profitably”

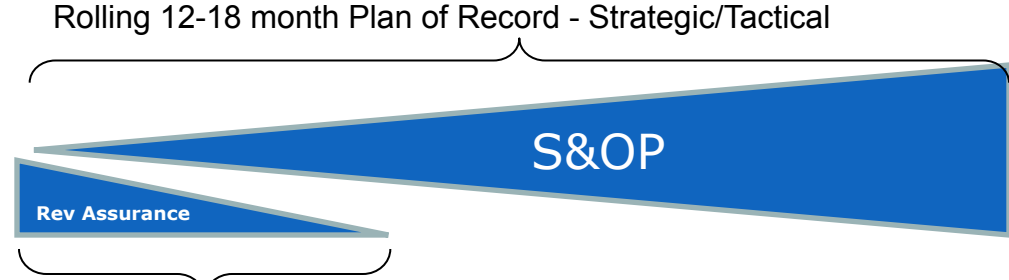
Based on the following **Principles**



Driving to NCR business goals

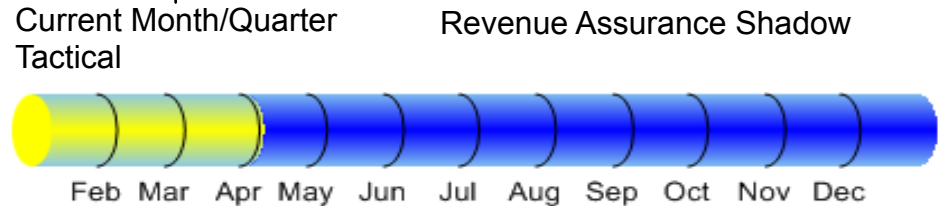
- **One NCR, one plan**
- Developed through Role based collaboration
 - Sales, Marketing/Product Mgt (ISG), Demand Planning, Supply Planning, F&A
- **Captured in a single sources of truth**
 - Units & Dollars
 - With defined Metrics
- **Grounded in Reality**
 - Choices and Consequences
- **Supported by**
 - Integrated process & tools

Extending View to Mid and Long term

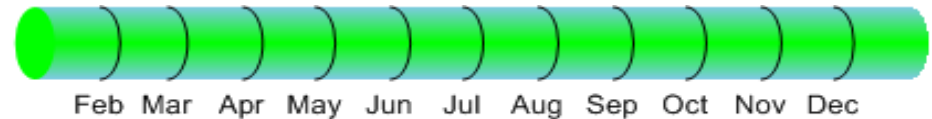


Challenges:

- 1. Balance corporate rhythms
- 2. Integrate Financial and Operation as one discussion
- 3. Drive Accountability



Plan of Record



- What were the market drivers and how did NCR holistically approach the various elements of Sales & Operation Planning?
- Can you explain the concept of supply chain visibility and consequence based decision making and how you achieved these capabilities?
- How did NCR integrate financial reporting and decision making as an active element of S&OP?
- How did these changes effect communications between supply chain, sales organizations, and other stakeholders?
- How did new product introduction processes and product rationalization elements contribute to your improvements?
- Other topics or move to Q&A?

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