



World Leader in Memory Solutions: Optimizing the Finish to Order Processes with SAP HANA

Solution & Implementation Case Study

The number of finishing options on an individual SKU caused low forecast accuracy and significant batch rework when trying to match with customer orders at the time of delivery

A semiconductor company was struggling with the number of late stage differentiation options that customers could request on a product when the true form-fit-function of the product was not actually changing. The Demand team was asked to create a forecast at very differentiated levels, resulting in below industry average accuracy. Product pushed into the warehouse often had to be pulled off the shelf for low-tech rework in order to meet the specific customer finishing needs. This was all detected at the very last minute when the Delivery was not able to be created due to the requirements mismatch.

Roughly 6,000 batches per week (10%) had to be reworked with a label and materials cost of ~\$15 per batch. This was most often changing the box type between Dry Pack and Tape-n-Reel or custom inner box labeling requirements.

There was a significant amount of diverse data elements available on the SAP ECC system, but the operations teams were still executing the finishing instructions based on a weekly supply/demand reset process.

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Leverage SAP HANA's speed to mine all of the necessary data in real time for each MFG operations request

The company had recently migrated to the SAP HANA database system for their ECC. This enabled the SCMA team to mine new data sources in real-time to provide the right signals to the MFG floor. Instead of executing to weekly goals, the system did a real-time assessment of the stock on hand and their finishing attributes compared to the sales orders in the next week. Any Sales Orders that did not find a match had their specific details read by the MFG Operations team and specific finishing instructions inserted, while netting down the weekly goal to ensure a level volume to plan

Every time the execution system asked for a new finishing instruction, the system leveraged the speed of the HANA platform to run the analysis again. Reading thousands of order line items and tens of thousands of batches took only seconds and ensured the instructions for any batch met the orders due that week.

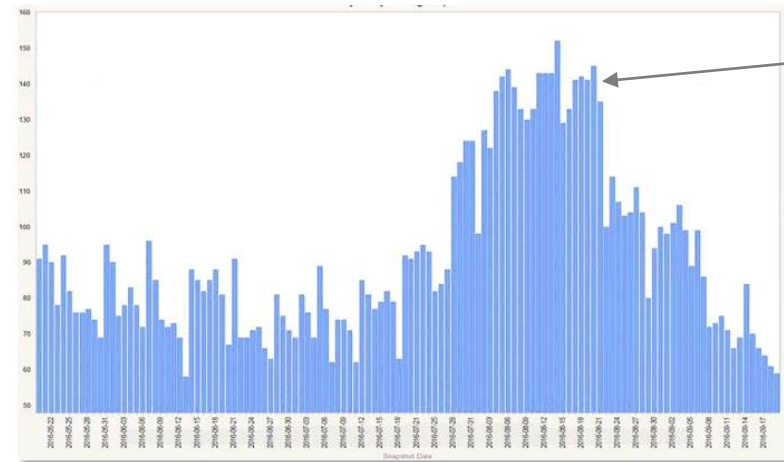
The solution did not require inserting complex and detailed Production Planning into the current process. It leveraged standard Reservation management along with supporting custom tables to track the logs as well as the WIP to ensure proper netting of the weekly planning goals.

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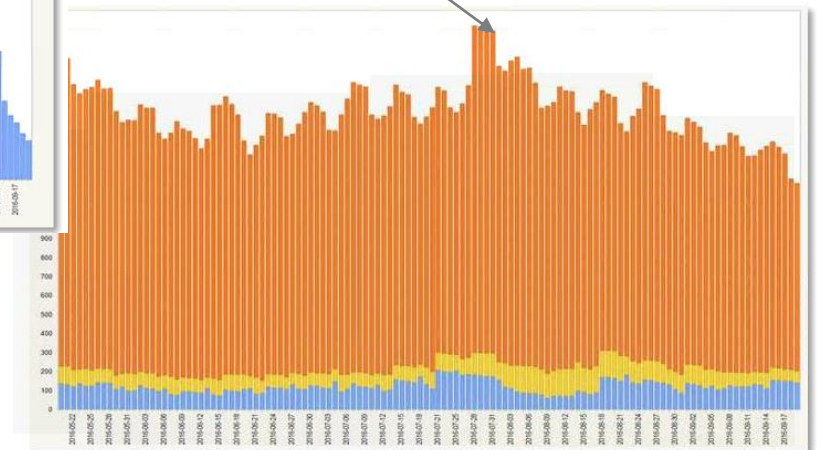
Rework cut by 5x and Delivery creation process and timeliness improved dramatically

The new Finish to Order processes and supporting HANA-based technology paid for itself quickly after going live. The percentage of batches requiring rework was cut by a factor of 5 and the Delivery creation batch matching process resulted in fewer on-time delivery misses due to the prior processes late notification of the mismatch.



Sales Orders that are currently late to their commit date and NOT recoverable (Promise is in the past). Each bar represents a 'Daily Snapshot'. You can see today we are at the lowest point since early May. This bodes well for a rebound in OPD over the next several weeks

Go Live



This 2nd graph shows total Sample Line Count. We are currently at the lowest overall line count since May with a pretty sharp drop over the past few days. Looks like we are clearing backlog nicely



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