

Case study

S&OP, Production Planning

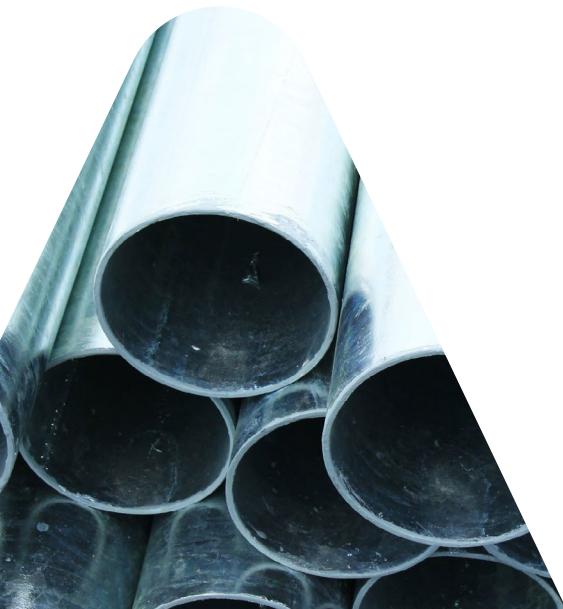


JFE Steel Forges Real-time Planning

50%

Reduction in
planning time

- Real-time visibility to demand and order status



Synchronized planning

Headquartered in Tokyo, JFE Steel Group is one of the world's leading steel manufacturers, producing 30 million tons of steel products annually. In order to optimize efficiency, capacity and costs at these manufacturing facilities, JFE Steel requires a highly accurate sales forecast, as well as intelligent planning software that synchronizes its supply of products with that demand.

The problem was that sales data was kept on each sales person's computer, so management had to collect the information manually to load into their planning spreadsheets. Not only was this a slow, labor-intensive process, changes to the monthly plan also had to be entered manually and the long-term plan was never updated for changes. JFE Steel implemented Blue Yonder's sales and operations planning (S&OP) capabilities to provide immediate visibility to demand, including changes impacting both monthly and long-term planning.

Previously, it took four days just for the sales management team to meet with each individual sales group and collect the information. After the implementation, the company could instantly access a single view of demand across all of its customers and products.

Challenges

- Accurate forecasting proved challenging, as demand data was not being shared across the entire sales team. Detailed information about specific customers and products were stored in individual employees' computers



- Sales management had to manually collect demand data, consolidate it and input it into a series of Microsoft Excel spreadsheets
- Demand changes were only reflected in the monthly view, resulting in long-term forecasts that were consistently out-of-date and inaccurate

Plan for innovation

JFE Steel executives recognized that they needed to match their own highly innovative steel products with best-in-class software tools in order to plan more accurately and effectively. JFE partnered with Blue Yonder to implement production planning capabilities from Blue Yonder's Luminate™ Planning platform.

"We considered a number of other software providers. In our view, Blue Yonder offered not only the robust planning functionality we needed, but they also had the best compatibility with the dynamics of the steel industry and the business processes of JFE." - **Executive Assistant General Manager, IT Innovation Leading Department**

Integrated planning

"Our sales groups use an Excel-based interface to input their demand data into Blue Yonder's S&OP solution. Whenever there's a change, it's immediately reflected in both our short-term and long-term plans. We have greater flexibility, and a more real-time view, because we're not performing a 'batch' forecasting process."

As a result, company-wide visibility into the forecast has increased significantly. The rolling sales plan is directly integrated with the company's production plans and revenue plans. Adjustments can be made across all these plans as needed, which enables JFE Steel to optimize its entire supply chain and react swiftly when demand changes.

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Improved customer satisfaction

"Previously, we had to manually check order volume against production capacity. This slowed down our customer response time. With Blue Yonder, we are much faster and more reliable in making customer promises."

The company had also lacked a user-friendly system that allowed customers to inquire about their order status. "Thanks to Blue Yonder, today customers can easily access information about our production schedule and the real-time status of their orders. That's a huge change that our customers are very happy about."

Solution benefits

- Reduced long-term planning time by 50 percent
- Provides immediate visibility to demand, including changes impacting both monthly and long-term planning
- Increased customer satisfaction through faster, more reliable promises and easy, real-time customer access to order status
- Integrated sales, production and revenue planning

Blue Yonder expertise

JFE Steel attributes much of its success to the relationship it has developed with the Blue Yonder services team. "Blue Yonder's consulting services team studied our business and recommended the right solutions for our business processes. The skills of the Blue Yonder team are excellent. Their ability to clarify supply chain issues and then attribute them to solution recommendations is unparalleled. Blue Yonder is a reliable partner and we look forward to continuing our long relationship."

 Luminate Planning



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