



## Supplier Performance Improvement

### Strategic Improvement Planning

#### Project Overview

In an ongoing effort to improve collaboration CGN needed to work with a client's critical suppliers to establish a Sales & Operations Planning Process (S&OP). The supplier S&OP process was created to help establish ownership of defined actions and a communication plan was set in place to support these functions. CGN conducted face to face meetings to build trust and promote a better working relationship with all parties. The client was ultimately able to maintain goals and improve delivery performance dramatically with each supplier. As a result, there was a greater alignment of supplier business strategies to meet customer demand.

#### Business Objectives

CGN was tasked with launching a successful supplier Sales & Operations Planning process that would close the communication gaps between supply chain facilities and align decisions between the client and supplier. CGN had to create a reporting process that was reliable, had clear parameters with audits in place, and created demand visibility.

#### Business Challenges

- Supplier had not been able to sustain an S&OP process
- Lack of trust and participation from client facilities
- Metrics for measurement between client and supplier were different
- Lack of demand visibility to create accurate forecasts
- Previous S&OP meetings were unproductive
- Resistance to integration of new process from supplier

#### CGN Global Approach

By properly training leadership and communicating roles and responsibilities before the launch of the S&OP process, CGN was able to create a sustainable solution for both the client and each supplier. Concerns related to a demand increase were discussed with each supplier facility in an effort to create productive S&OP meetings. Metrics were tailored to the customer's measurement system so that reporting and analysis could be tracked correctly each month. A governance system was put in place by CGN so that the appropriate level of leadership was involved with the right decision-making authority.

#### Business Results

- Reject (PPM) reduced to zero
- Sustained 100% on-time shipping performance (5 months and counting)
- 100% participation in S&OP from all supplier departments
- 100% participation in S&OP from all client facilities
- Aligned a 13% measurement gap of supplier performance to match client
- Improved supplier delivery performance by 50%
- Alignment of supplier operations and customer demand
- S&OP meetings are strategically focused on next 4 to 24 months

#### Our Expertise

Supplier Strategic Deployment and Improvement Planning – details the supplier's core competencies, business and financial health, customer alignment and business vision. Defines the organizations' strategy/direction and is the roadmap for strategic decisions, allocation of resources and execution of business planning.

At CGN Global, we release value locked in the current relationship of client with critical suppliers by improving alignment to strategy, eliminating supply chain waste, reducing total cost of ownership, better managing capacity through business cycles and increasing product development collaboration. In order to prepare a business world with rapidly changing markets and customer demands, strategically rethinking manufacturing and supply chain strategies has become standard practice in order for firms to succeed. As one of our main areas of expertise, we use a disciplined process to create a balanced win-win relationship that increases supplier motivation and innovation.

-----

**Ifechukwu Igboanugo**

Senior Consultant

Tel.: 630.368.7810

[ifechukwu.igboanugo@cgnglobal.com](mailto:ifechukwu.igboanugo@cgnglobal.com)

-----

[www.cgnglobal.com](http://www.cgnglobal.com)