OK, WHO STOLE MY STOCK?!
Member of the Omnia Group

44% AGRICULTURE DIVISION
Ammonia, nitrate based fertilizer
Bio stimulants, adjuvants

28% MINING DIVISION
Bulk emulsions, packaged explosives
chemicals and services mining

28% CHEMICALS DIVISION
Full line distributor, specialty
Base oils and lubricants

4 755 EMPLOYEES
18 BILLION TURNOVER

LISTED ON THE J.S.E. 60 YEARS
Protea Chemicals is a well established and longstanding manufacturer and distributor of specialty, functional and effect chemicals.
A strong presence in South Africa and expanding throughout Africa
PROTEA CHEMICALS – Supply Chain

- 600 suppliers
- 36 countries
- 2600 customers
- 10,000 monthly transactions
PROTEA CHEMICALS – Supply Chain

3 DC's
5 sites
4 satellite W/H's

2100 items
8500 SKUs

HUB: Larger distribution sites are fully equipped distribution centres, some with blending and repacking capacity

SPOKE: Full sales and supply chain solution

Distribution by ship
Distribution by road
PROTEA CHEMICALS – Supply Chain

3 DC’s
5 sites
4 satellite W/H’s

2100 items
8500 SKUs
PROTEA CHEMICALS – The Compelling Event

Working Capital employed

Coupled with acquisitions
PROTEA CHEMICALS – MD’s Challenge

REDUCE O/H
- Right-size headcount
- Cut non-profit activity

REDUCE STOCK
- Using DDMRP / Planning
- Set clear KPI’s per category

TRUSTED PERFORMANCE
- Improve customer service
- OTIF from 74% to > 88%

SUSTAINABLE GROWTH
- Set clear growth strategy
- Stick to the rules
It always seems impossible until it's done.

Nelson Mandela
The Journey – Persistence and Belief

2015

DD MRP?

SAPICS Chad Smith presentation
An alternative to MRP
Corridor discussion to site visit

A new hope?

2016

ABE Site Visit

Excel Again?

Methodology working well
Inventory lower
Service level improvement
But:
No technology available
ABE running on Excel model
Parked until further notice

Decision time

2017

A new ERP

Group mandated new ERP system
DDMRP selected as preferred method
Partner selection based on:
1. DDI compliant
2. Integrate with new ERP
3. Functionality and roadmap
4. Can do attitude

Go Live?

B2Wise & AX

False start Oct 2017 - Master data
Data revised and reloaded
System up and running in Feb 2018

2018

Training for core team of 7 - DDP
Pilot and project plan setup
Functional Review
More training - DDL and DDAE
Project roadshow
Why DDMRP?

- **Current System was not delivering benefit**
  - Technical architecture too complex and time consuming for updates
  - Gaps in functionality not being addressed

- **Knew that MRP was not the solution:** 10 000 action messages daily

- **Poor visibility:** Could not rely on PO and SO due dates

- **Most planning done outside of the formal system** (Excel)

- **Poor OTIF**

- **Good feedback** from adopting the DDMRP methodology

- **Imminent ERP implementation:** so we had to change something anyway!
Plan before Go-Live

1. Training Mar 17
2. Run a pilot Apr 17
3. Functional review Jun 17
4. Master data check Jul 17
5. More training Aug 17
6. Roadshow Sep 17
7. Go-Live Oct 17
8. Deployment Jan 18
9. Adaption Jul 18

“There is no reason to have a plan B because it distracts from plan A”
WILL SMITH
Building a Stable Platform – Technology Changes

- Ok, we made it through the implementation
- Simplify and speed up technology integration
Simple planning process driven by traceability and accountability

Recommended Order

Approved order in AX fed to B2wise

Planned DDMRP order

Firm and approve order in AX

Building a Stable Platform – Process Changes
Training - the Key to Successful Change Management

Getting everybody onboard

- Presentations to Exco
- In-house Demand Driven Planner workshops (20 people)
- In-house Demand Driven Leader workshop (8 people)
- ½ day DDMRP awareness sessions (80 people)
- DDBRIX workshops (130 people)
Achieving More With Less

**Oct 2017**
Planning & Buying Team
13 People
- 5 Supply Chain Planners & 1 Projects Planner reporting to Planning/Inbound Logistics/Supply Chain
- 6 Buyers reporting to Procurement/Inbound Logistics/Supply Chain
- 1 Distribution Planner reporting to Inbound Logistics/Supply Chain

**Apr 2018**
Planning & Buying Team
9 People
- 7 Buyer/Planners & 1 Projects Planner reporting to Planning/Supply Chain
- 1 Distribution Planner reporting to Inbound Logistics/Supply Chain

**Feb 2019**
Planning & Buying Team
7 People
- 3 Buyers & 4 Planners reporting to Planning & Sourcing
The result – 30% stock reduction in 1 year
- Upward trend
- Targeting 90% by end December 2019
- > 10 000 transactions per month
- To more than 2600 customers
Continued Performance

**Improved Customer Service Levels**
- Changing the conversation to red/yellow/green
- OTIF delivery improvement
- SOWD on less than 2% SKUs

**Flat Market!**
- Headwinds will continue into 2020 and beyond
- The drive to profitability and cash generation is key
“As a previous vocal critic of planning systems, I am pleased to say that I have eaten my words and more recently embraced DDMRP as a planning and business tool that works. We still have a little way to go to maturing the business processes but the results we are starting to see and the visibility we now have to make accurate strategic decisions is invaluable. But for me, most pleasing is to see our people’s engagement, excitement and adoption of the tool – it really works!”

Peter du Plessis – GM Sourcing and Planning
“Of our 43 clients around the world Protea Chemicals is a top 3 client for B2Wise. This is in terms of results achieved, training and implementation maturity as well as in functionality development. What Ruben and his team have achieved in the challenging environment is extraordinary!”

Alan van Vuuren – CEO B2Wise South Africa
Additional Benefits

- **Visibility:** the system is very visual and intuitive
- **Accountability:** automatic tracking and heightened visibility
- **Prioritised actions:** user has clear daily/weekly/monthly actions
- **Upward integration:** automated daily data transfers from the ERP to DDMRP
- **Downward integration:** DDMRP orders transferred into ERP
- **Less Excel**
- **Everybody on one system:** more than 120 DDMRP users in the company
- **Improved awareness of Planning function:** Not just a function of improving forecasts and maintaining master data
A great achievement for the Protea team
The team that stole the stock...!