

Forecasting and Advanced Planning



Coats North America

Sunrise and Coats NA achieved supply chain excellence through accurate consensus forecast, common supply chain picture, and state of the art constraint-based planning capabilities



“Sunrise provided invaluable resources to resolve system and people issues. We felt like they were a part of our team”

Joe Dizazzo, Director
Coats Apparel Supply Chain Planning

Executive Summary

Growing inventory levels, increased customer demands, and customer migration drove Coats North America (Coats NA) to make a strategic decision to implement a supply chain solution that addressed distribution and manufacturing process issues.

Coats NA has developed a supply chain strategy to formalize forecasting and planning processes and re-engineered its organizational structure to accommodate necessary changes. Sunrise's expertise in advanced planning systems combined with industry experience led Coats NA to opt for its services. To simplify the new supply chain solution and better coordinate transition, the implementation was divided into business releases. The first business release was to implement i2 Demand Planner and associated business processes to generate a monthly consensus forecast. The second business release was to create a common data repository within the SAP ERP framework to hold and cleanse supply chain data. The third and last business release was to implement constraint based planning using i2 Supply Chain Planner.

Through consensus forecasting and formalized planning, Coats NA achieved a clear visibility to demand and supply picture that drives various supply chain decisions. The initial results demonstrate that the solution that was implemented is working towards inventory and customer service goals.

Company Profile

Coats is the largest sewing thread supplier with manufacturing in more than 60 countries. The company business focuses on apparel thread used by garment manufactures, craft thread for home sewing, embroidery, crochet and knitting, specialty thread used by footwear, furniture, and automotive industries, zips, and trims.

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Business Requirements

Growing inventory levels, increased customer demands, and customer migration drove Coats NA to make a strategic decision to implement a supply chain solution that addressed distribution and manufacturing process issues.

The supply chain solution required to be flexible and intelligent enough to address unique characteristics of thread manufacturing including simultaneous make to stock and make to order product planning, demand prioritization and multiple sourcing. A successful deployment of the solution did require changes to the core business processes. The company's goal was to produce feasible capacity plans that were optimal in lot sizes and respected business constraints. The challenge was to standardize multiple transactional systems through a common data repository, better predict the future demand, and perform constraint based planning.

Sunrise Solution

Coats NA has developed a supply chain strategy to formalize forecasting and planning processes and re-engineered its organizational structure to accommodate necessary changes.

Sunrise's expertise and know-how in forecasting and advanced planning systems combined with industry experience were the factors that led Coats NA to opt for its consulting services. *"We brought in several large consulting firms to evaluate. Sunrise was recommended by other textile companies and selected based on its industry experience and cost"* said Joe Dizazzo, Director of Apparel Supply Chain Planning. *"Sunrise had in-depth knowledge of the software, not only from functionality perspective but also from technical aspects of the software itself"*

Since the complete solution was complex in nature and required clean and consistent data, the decision was made to break the implementation into business releases. The first business release was to implement i2 Demand Planner and associated business processes which supplemented S&OP process with a monthly

consensus forecast. The second business release was to create a common data repository within the SAP ERP framework to cleanse supply chain data and to achieve an accurate picture of the supply chain across its multiple facilities.

The third and last business release was to implement i2 Supply Chain Planner (TmAPI) with dynamic optimization of lot sizing and attribute based planning. After extracting static supply chain data from SAP data repository and demand data from newly implemented forecasting system, the company was able to generate a daily constraint-based supply plan. The new planning tool was able to effectively handle make to stock and make to order products simultaneously and respect prioritization and sourcing constraints. This was the first deployment of the new i2 architecture in the softgoods industry.

AT A GLANCE

Company web site	www.coats.com
Industry	Sewing thread and needlecraft products
NA Headquarters	Charlotte, NC
Services by Sunrise	Supply Chain Strategy, Forecasting , Data Repository, and Advanced Planning System Implementation

Benefits

Through consensus forecasting and formalized planning, Coats NA achieved a clear visibility to demand and supply picture that drives various supply chain decisions. The objective of this implementation was to decrease inventory levels and obsolescence while increasing customer service levels. The initial results demonstrate that the solution that was implemented is working towards these objectives.

For more information, call Mike Pereira at (336) 722-6741 or visit www.sunriseconsult.com