



NEC

In the right place at the right time thanks to BOARD: global monitoring of the supply chain

The display manufacturer

The European headquarters of NEC Display Solutions Europe GmbH, based in Munich, Germany, is responsible for all of the business and sales activities in the EMEA (European, Middle East and Africa) region. Thanks to the combination of NEC Corporation's technological expertise and NEC Display Solutions' own research and development, they have become one of the global market leaders in display products and solutions. The display product portfolio is one of the widest on the market and ranges from the first-time user category to professional class, with special desktop LCDs and large-sized public displays for digital and retail signage. The projectors business division includes products from portable to business projectors and from continuous 24-hour operation products for point-of-sales applications to digital cinema projectors.

www.nec-display-solutions.com

NEC Corporation is a leading provider of internet, broadband network and enterprise business solutions which aims to fulfil the special requirements of a diversified and global customer base. By integrating its technical strengths in the areas of IT and networks and by introducing extremely modern semi-conductor solutions via NEC Electronic Corporation, NEC is able to offer tailored solutions in the key sectors of computers, networks and electronic components. The NEC group of companies employs more than 150,000 persons worldwide.

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The challenge

For a manufacturing and sales company such as NEC Display Solutions the overall planning system (from

quantity and price planning to planning the standard costs to the resulting contribution and sales planning) including the supply chain represents the core critical success factor of the entire business operation. Demands on the availability of their products in a competitive market have further increased over the past few years. To meet the needs of this dynamic environment, NEC Display Solutions needed a flexible planning and reporting solution that maps and consolidates individual and interconnected planning modules, including daily operational procurement planning, with global users. They were using Excel which offered a high degree of flexibility for the user, but at the same time had a number of disadvantages when it came to data consistency, security, collaboration and consolidation of the planning data.

NEC Display Solutions therefore created the PLATO (planning, logistics, analysis, transparency, overview) project to realise their need for a standardised, integrated group-wide reporting and planning solution. The biggest challenge the PLATO project faced was creating a balance between logistics analysis, planning and operations, as well as procurement planning, distribution of products and monitoring the flow of goods. The project had to consider the different planning processes of an international team with varying mentalities (Europe and Japan) and the conversion of an all-encompassing planning model into the logic of a BI solution.

To realise the project goal, the following elements in particular were specified:

- Integration and standardisation of very different



planning processes including budgeting, forecasting (rolling planning), supply chain and also the budget controlling system (BCS)

- Optimisation of product distribution and inventory stocks in operational procurement planning and thus optimisation of the sales process
- Single point of truth: real time access to all planned and ACTUAL data via a central data repository

The BOARD solution

At the beginning of the project there was an extensive beauty contest (proof of concept), in which BOARD Deutschland GmbH used the BI toolkit, BOARD, to provide persuasive evidence of its professional competence as well as its ability to fulfil functional requirements. After an intensive five-day workshop, BOARD, together with its long-term partner DMC, finally prevailed over all of the 20 original competitors. As the tool previously used, Excel, had numerous disadvantages in the areas of data consistency, security, collaboration and merging of planning data etc, but also allowed an especially large degree of flexibility for the user, those involved in the project at NEC did in fact anticipate that they would have to make compromises in this area when converting to a BI software solution.

BOARD allows the comprehensive and flexible analysis of data from various operational systems which serve as suppliers for ACTUAL data. This data is supplemented by planning functions which allow active planning of the business to take place at many different levels at the same time. The core of the application is the optimisation of synchronisation efforts, consistent and centralised data management, and improvement of the entire process in the areas of sales, procurement and financials.

Procurement planning is based on forecast figures from all over Europe which are updated every two weeks, on stock inventory, and on current changes in the forecast. Users in procurement plan the purchasing quantities for six months in advance together with the delivery vehicles and delivery destinations. In a simulation sheet they can simulate inventory development for the next six months and then include it in their planning. By activating calculations they can then determine the distribution of the goods across the regions, the automatic chronological movement of the goods until the delivery date, the calculation of open and as yet

undelivered goods, as well as the virtual inventory and availability.

At the same time as they conduct the procurement planning, on a second screen users have an overview of the current quantities ordered for the next two months and the goods which are already being transported, which is uploaded automatically on a daily basis. Here they can automatically distribute the goods to regions, view the goods that are still open and those already being transported.

In addition, they see the weekly distribution on various child screens. All of this information is automatically accessible to the sales managers in Europe, thus guaranteeing an optimal flow of information. The planners can react quickly to delivery bottlenecks by reallocation or also by diverting the goods to various warehouses.

The majority of the ACTUAL data comes from SAP/R3. Moreover, the inbound lists from the logistics department are uploaded daily from MS Excel. In addition, standard costs for planning purposes are uploaded and put under version control.

BOARD convinced us primarily due to its ability to map integrated planning workflows in a way that is descriptive and interactive.

Andreas Grossmann
Senior Controller Finance Division
NEC Display Solutions Europe GmbH



The customer value

BOARD supports all of the essential functions for planning in the areas of supply chain and controlling for the entire company. In addition to the Controlling department, both the management and the Business Planning department are able to create independent analyses and reports and make them available to the parent company in Japan.

Thanks to a central data management system which reduces errors to a minimum, expenses for rolling planning are decreased. A database-based version has been introduced so the manual transfer of inventory data from SAP, daily inbound lists, forecast figures and sales figures is no longer required and the error rate has been significantly reduced. The addition of new products now also takes place within the system. The central data management system allows the current assigned order quantity to be shown in the forecast and allows the goods arrival times to be followed on a daily basis. This leads to improved material planning and facilitates coordination. The data gap between planning and purchasing is closed all the way down to the supplier, who also has direct access to the system and confirms order quantities.

The areas of management and controlling benefit from the improved supply of information. Analyses and reports become faster and contain more data and the improved transparency increases the quality of all decisions.

Corporate planning gained two important improvements:

- *Time saving and increased quality:* The sales managers have permanent access to the system and can better adhere to their two-week planning cycle. As Excel is no longer used, the time-consuming planning set-up (new product life cycles) and the work involved with versioning is no longer required.
- *Simplification of planning processes:* Within the framework of the project the various processes for different divisions were merged and adjusted. All of the planning users now have access to the same system, and inconsistencies are avoided.

The supply chain department also benefits. Thanks to the integrated data management system (forecast, inventory data, procurement planning, delivery quantities) and the simple creation of reports, both processes (reallocation, delivery bottlenecks) and stock-keeping are optimised.

Thanks to BOARD we were able to replace an Excel-based sales and purchasing system with a database-supported operational planning and reporting system.

Andreas Grossmann
Senior Controller Finance Division

Industry
Manufacturing
Sales organisation

Field of application
Group-wide reporting & planning solution:
Rolling planning
Forecasting
PSI (purchasing) & BCS (business planning)
Decision support reporting

Source systems
SAP/R3
MS Excel

The image displays several screenshots of the BOARD software interface. The top-left screenshot shows the 'Overview Status' screen with various data tables and filters. The bottom-left screenshot shows a 'Forecast Planning' screen with a detailed data grid. The right-side screenshot is a flowchart titled 'PLATO: PSI Plan and Allocation' showing the process flow from 'PSI Plan' through 'F08 Sheet' and 'Task to PSI' to 'Allocation' and 'Reports'. The BOARD logo is prominently displayed at the bottom right of the interface.