



**Supply Chain Conference**

**Stockholm September 2016**

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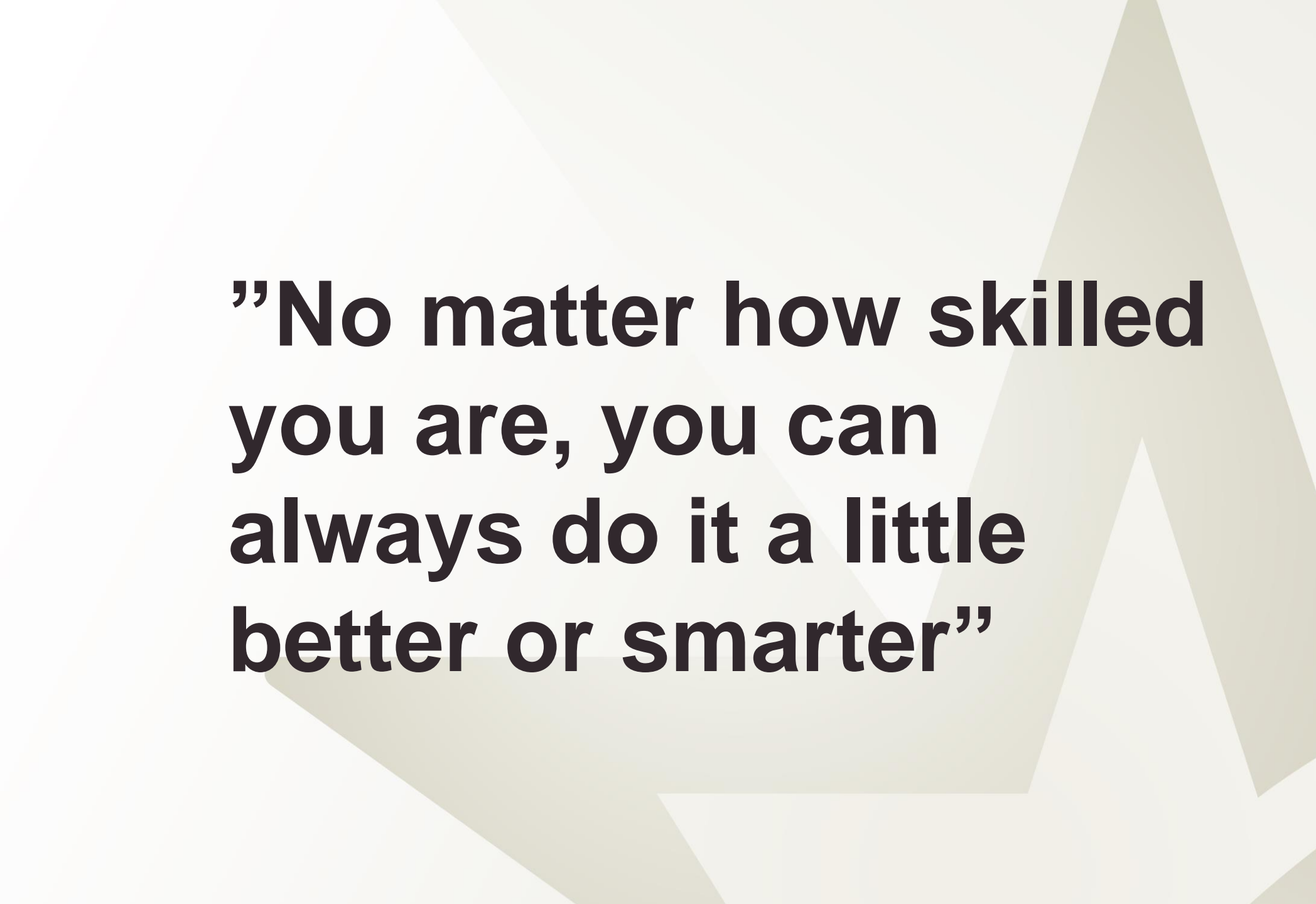
# Roger Karlsson

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**”Standardize  
and  
harmonize”**



**”No matter how skilled  
you are, you can  
always do it a little  
better or smarter”**

# Cederroth summary

## CEDERROTH

ABOUT US

HISTORY

TRADEMARKS

ENVIRONMENT

SALES

THE PREFERRED LOCAL CHAMPION

Our offices

Our production facilities

Vision

Mission

Values

Organisation

## Cederroth in Europe

Cederroth has approximately 850 employees and is represented in six countries, with Europe as our primary market.



OM OSS

HISTORIA

VARUMÄRKEN

MILJÖ

FÖRSÄLJNING

DEN SJÄLVKLARA LOKALA PARTNERN

Personal care

Wound care

Healthcare

Household

First aid

# Trademarks

Cederroth is represented in the personal care, wound care, healthcare, household and first aid categories.

# Personal care for the whole family





# Wound care for big and small





# Healthcare providing extra energy for everyone



# Clean without harming the environment



# First aid



## Cederroth summary

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- Cederroth is integrated in Orkla Care since 2015
- New mutual journey to create the best possible supply chain

# From forecasting to demand planning – Cederroth´s Forecast Journey

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- Before
  - Manual work
  - Warehouse level forecasting
  - Monthly forecasts
  - No segmentation

## ERP picture before the journey started

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Prognosfamilj..
Artikelnr..... 102500          Samarin Powder          SE 20x36
Lagerställe.... SFF
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<u>1</u>	Per	Benämning	Man	progn	Efterfråg	Differens	Diff %	
	<u>1601</u>							
—	1601	January - 16	2045	*		2045	0,00	
—	1602	February - 16	2846	*		2846	0,00	
—	1603	March - 16	3445	*		3445	0,00	
—	1604	April - 16	2951	*		2951	0,00	
—	1605	May - 16	2614	*		2614	0,00	
—	1606	June - 16	2905	*		2905	0,00	
—	1607	July - 16	2977	*		2977	0,00	
—	1608	Augusti - 16	3419	*		3419	0,00	
—	1609	September - 16	3225	*		3225	0,00	
—	1610	October - 16	3171	*		3171	0,00	
—	1611	November - 16	4738	*		4738	0,00	
—	1612	December - 16	3814	*		3814	0,00	+



# Travel preparations

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- Visions/requirements
  - Decentralized demand planning by those who are closest to the market, KAM
  - User friendly
  - Automatic forecast process for approx. 80 % of all items.
  - Flexible demand planning adjustment possibilities
  - Developed promotion capabilities including follow up possibilities
  - Standardized and harmonized demand planing process
  - Conversion between quantity and value (SKU & Net shipment)
  - Connection to the financial forecast process
  - Inventory optimization possibilities



# Travel Planning

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- Distinguishable goals
  - Preserve the stable service level
  - Increased forecast accuracy with 50 % (Sum of Abs deviation on item/warehouse with 6 weeks offset)
  - Decreased inventory level by -8% in 2 year (Included in an overall plan, -15% in 3 years)
  - Less write offs by 2 MSEK/year
  - Totally less time spent in the demand planning process

# Travel Planning

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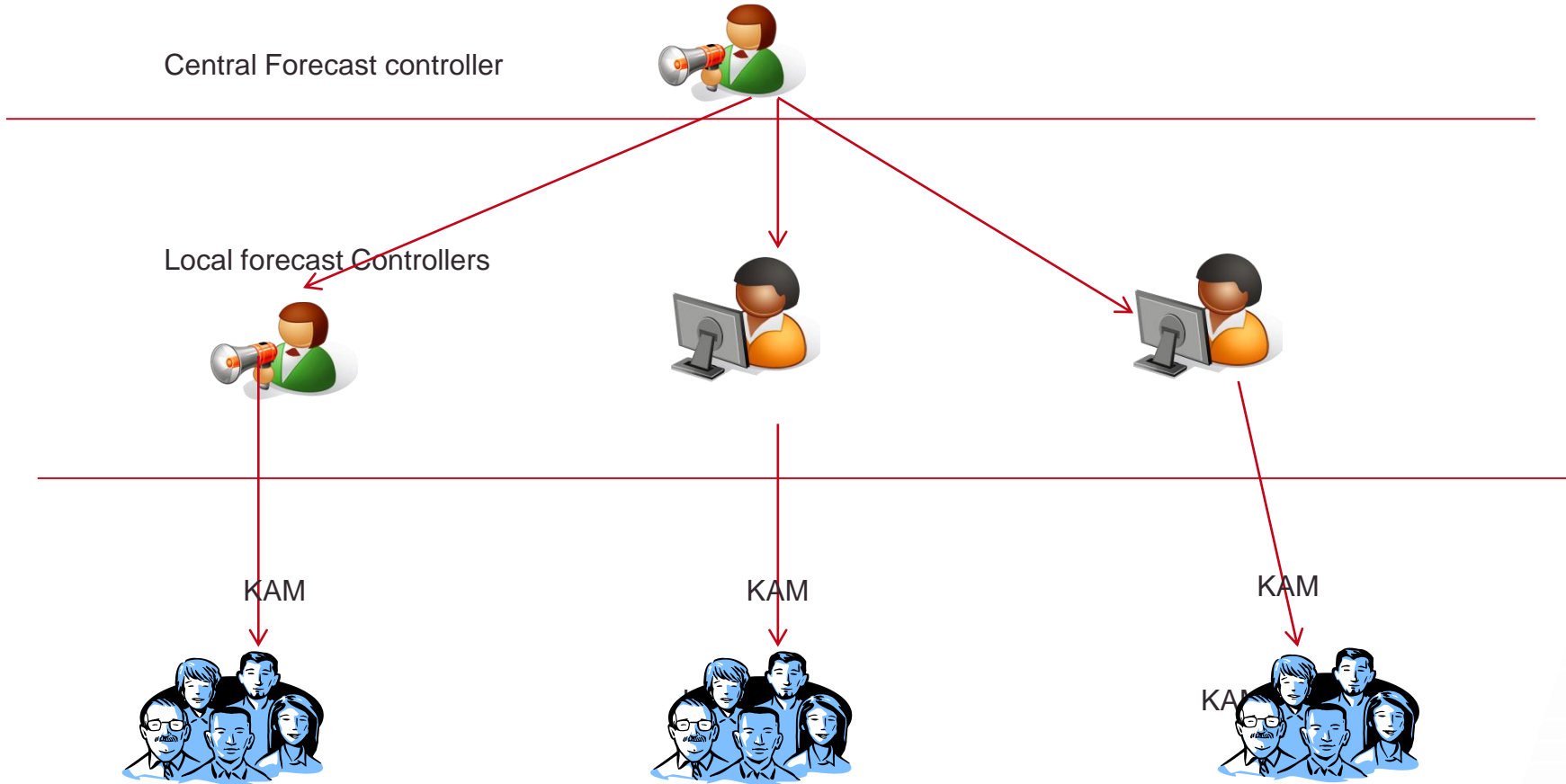
- Clear communication strategy
  - Uniform communication; **”Cederroth’s Forecast Journey”**
  - Uniform process; **”Montly process with Daily updates”**
  - Uniform responsibility (Volume & Value); KAM

# Travel Planning

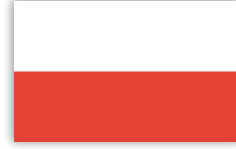
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- Support from CEO
- Demand planning organisation introduced

# New demand planning organisation



# Travel diary - 3 workshops (2 days) with CFC & LFC



April

May

June

July

August

September

# Travel diary

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- Internal Project Core team performed all local training
  - Totally 5-6 hours of training one day
  - On site support the following day,
  - Off site support 1 week at the same time as the LFC had on-site support

# Travel book - Keys for success

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- Uniform and clear communication to the KAM
  - *” Less is better, don´t spend time on inessential details”*
  - Focus on:
    - News, phase in
    - Phase out
    - Change of listing ( More than +/- 20%)
    - Promotions (More than + 20%)



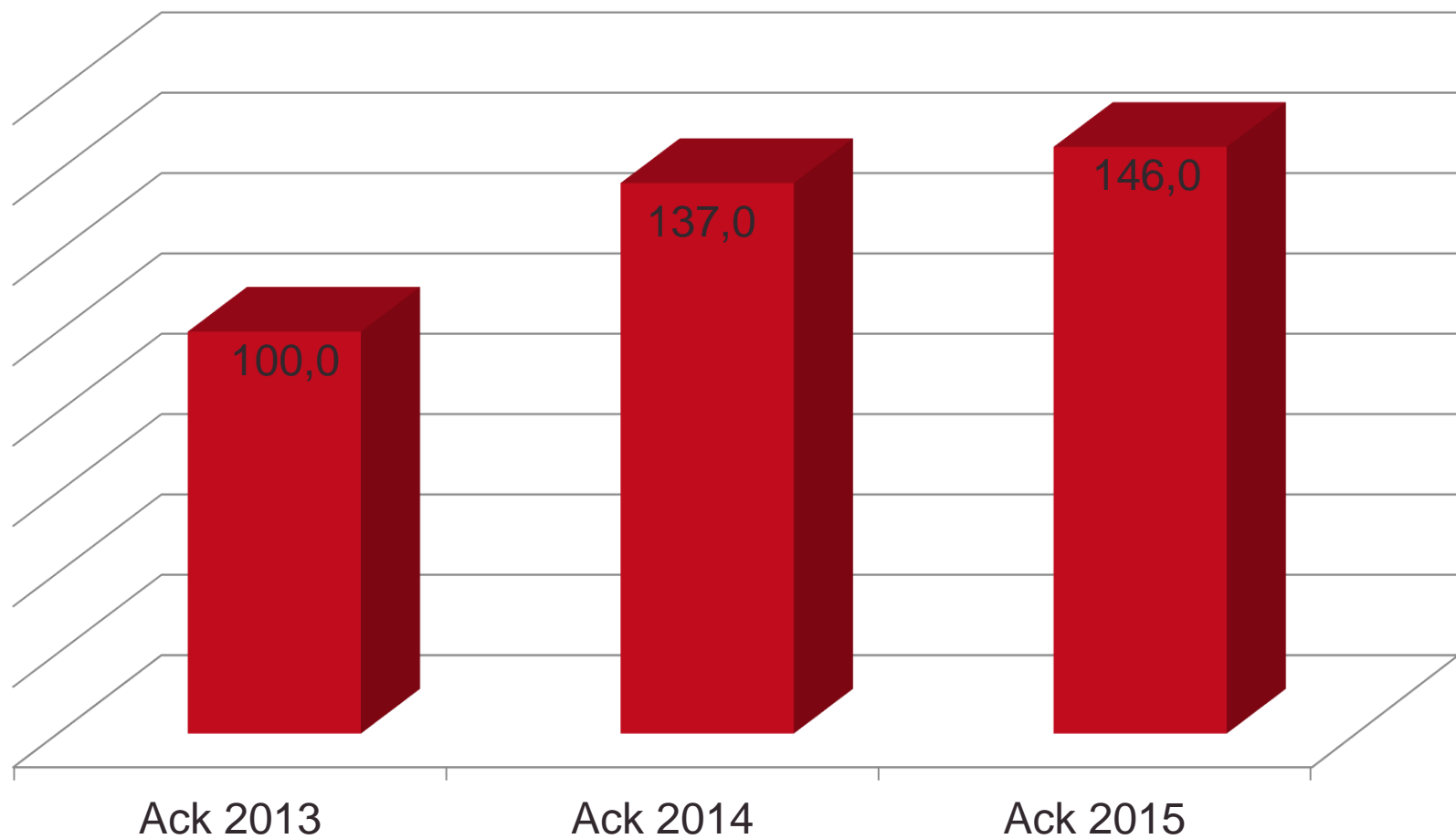
# Travel book - Keys for success

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- Uniform and clear process
  - Daily update as soon as new information is available. Quick to react
  - Monthly (Before 5 PM 7th every month) Evaluation of the total demand on a aggregated level. "Reasonable values"
- Support from CEO who included information of the progress in the project in the monthly information meeting

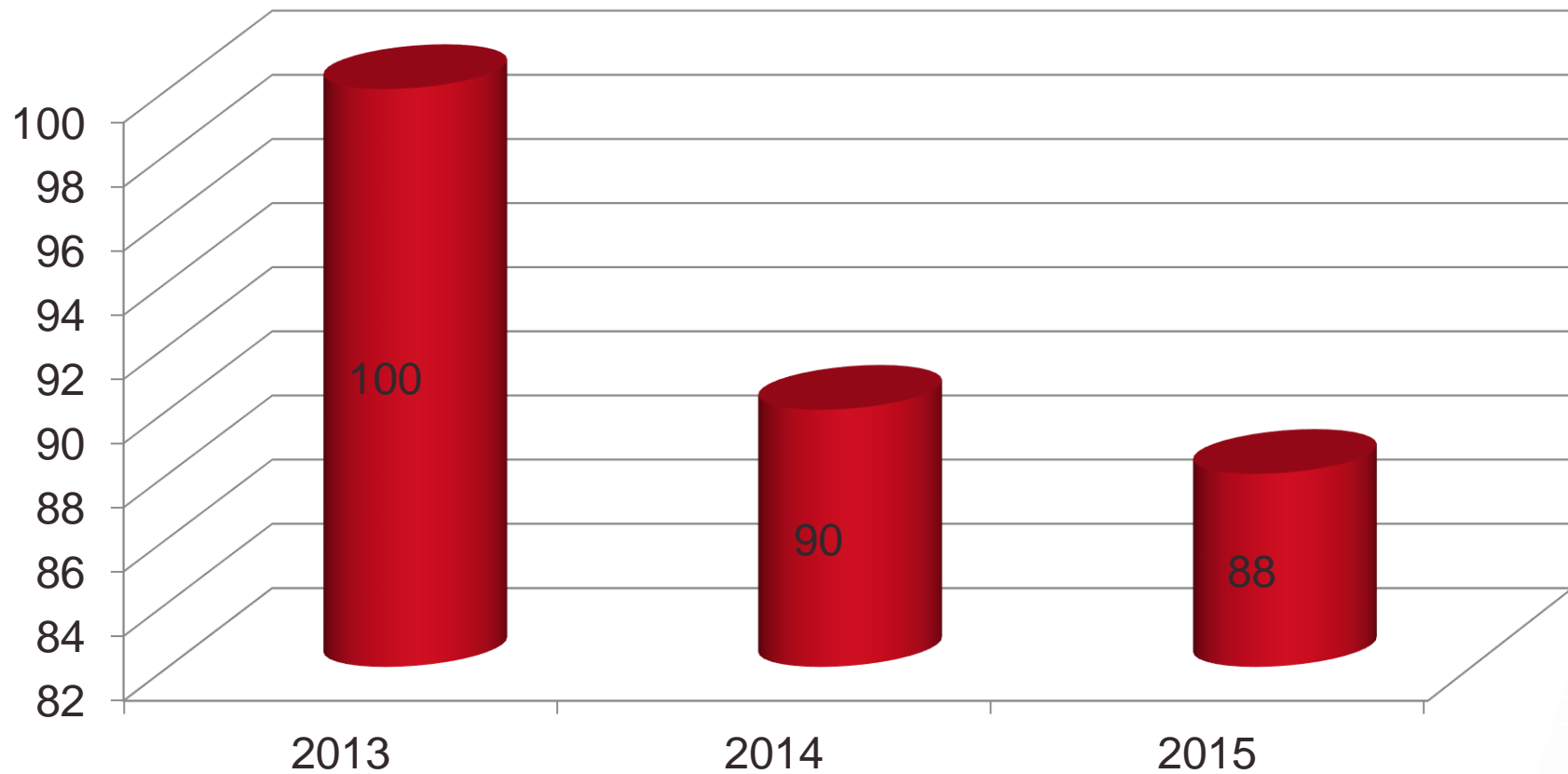
# Travel book Goal:, Forecast accuracy +50%

## Forecast accuracy, Index



# Travel book Goal: decreased inventory by 8 %

## Group Inventory level Index 2013



# Travel Book Goal: Less time spent, Less write off & connection to the financial forecast process

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- Less time spent.
- Less write offs and the connection to the financial forecast.

***”What am I supposed to do in the monthly review? I spend approx 30 min and thats all...”***