

Implementing a Global Sales Strategy While Increasing Production and Profits

The market for butyl rubber, a synthetic rubber used in automobiles, adhesives and chewing gum, was extremely tight. A specialty chemical company with 53 production sites worldwide was forced to allocate most of its available production lots across its customer base. To ensure maximum profitability and at the same time maintain customer service, clear and consistent sales and operations planning processes were necessary across the company's worldwide sales operations.

Client Challenge

Incorporating Passion to Establish Standards

The Swiss-based company had employees in 31 countries. Each region worked virtually independently with varying processes and different roles and responsibilities. Processes and their supporting tools were mostly people dependent and exception management was not clearly defined. The lack of standardization in management systems made monitoring, measuring and managing the business difficult.

In addition, the lack of standard key performance indicators (KPIs) and a constant firefighting mentality also limited the organization's attempts to improve. This caused revenue and opportunity losses across the network. A clear objective was set for the Myrtle Consultants and the client's teams, **develop global processes for a global business.**

Myrtle Approach

Implementing Worldwide Systems at a Swift Pace

The first deliverable in the project encompassed mapping the business processes. They included material resource planning (MRP) process, supply management, demand management and supply and demand optimization. The next focus was on inventory management process areas including warehouse management, order processing and accounts receivable.

Representatives from each region were brought together to map out, discuss and standardize their processes. Fifty-four (54) global processes were reviewed, 13 standard global processes were developed to replace them. Standard organization designs and management systems were also developed.

Myrtle consultants worked side-by-side with the client team to design, pilot and install redesigned processes. Improved key processes, such as sales and operations planning, order to cash, transportation and warehousing, allowed better alignment of global strategy with operational execution.

Relationships and processes between plant schedulers and corporate planning groups were significantly improved. Increased synergies with plants and support organizations were also installed.

A full implementation of a management system and the organizational structure behind it allowed a substantial increase in management reporting and corrective action capabilities.

More consistent adherence to global processes and systems was maintained by coaching and training client personnel at all levels.



The Results

Performing Globally to Increase Cost Savings

- Excess inventory became easier to manage and allocate across the global market. As a result outside warehouse requirements were reduced, saving the company \$200K.
- Closer scrutiny and management of account payables saved an estimated \$100K in reduced errors.
- Additional sales of off spec materials contributed \$2.5M in sales since the process of matching customer requirements with available product was operable and visible globally.
- Due to better demand planning processes, 1 less grade-change cycle could be run to produce the needed product, saving approximately \$2M in unnecessary costs.

200K

Outside warehouse requirements were reduced, saving the company \$200K.

2.5M

Additional sales of off spec materials contributed \$2.5M in sales.

2M

Due to better demand planning processes, approximately \$2M in unnecessary costs were saved.

100K

Closer scrutiny and management of account payables saved an estimated \$100K in reduced errors.