



CORPORATE PERFORMANCE IMPROVEMENT

SALES, INVENTORY & OPERATIONS PLANNING (SIOP)

PLAN MORE EFFECTIVELY, OPERATE MORE EFFICIENTLY
AND MEET CUSTOMER NEEDS



ALVAREZ & MARSAL
LEADERSHIP. ACTION. RESULTS.™

INTERGRATED DEMAND AND SUPPLY PLANNING

PLAN MORE EFFECTIVELY, OPERATE MORE EFFICIENTLY AND MEET CUSTOMER NEEDS

An effective Sales, Inventory & Operations Planning (SIOP) process is only meaningful when inputs and outputs lead to improved decision making. Our pragmatic approach focuses on demand-driven supply plans, resulting in improved margins, forecast accuracy, agility, business visibility and optimized inventory. A&M brings an end-to-end supply chain perspective to help clients plan more effectively, operate more efficiently and meet customer needs.

CLIENTS CALL US WHEN:

- Demand and supply imbalances are driving the need for improved planning and transparency across the supply chain
- Existing or future service level requirements are not being met and customers are dissatisfied
- “Reactive mode” has become the norm because planning and execution are disconnected from customer needs
- Inventory is problematic with either too much, not enough, the wrong inventory, or inventory in the wrong place
- Inventory costs are out-pacing revenue growth and /or are higher than competitors
- Data is available, but insights to drive actionable plans and decisions are not

OUR CORE SERVICES



SIOP Maturity and Effectiveness Assessment

As businesses grow and change in dynamic environments, SIOP processes must evolve as well. Whether experiencing order fulfillment issues, supply disruptions, capacity constraints, or other planning challenges, A&M's SIOP Maturity and Effectiveness Assessment will identify existing gaps and deliver actionable recommendations for sustainable SIOP performance improvement.

- Process & Governance Evaluation
- Organizational Assessment
- Tools, Metrics, and Reporting Review
- Improvement Recommendations



SIOP Design and Implementation

Clients turn to A&M when they need a SIOP process designed to fit their unique needs and one that can be rapidly deployed to drive improvements. A&M works closely with management, process owners, and key stakeholders to understand business goals, planning requirements, and operational capabilities. We collaborate to design SIOP processes that provide transparency to drive critical decisions and flexibility and agility to scale and shift with the business. A&M also works with client teams to provide leadership and support required for a successful implementation.

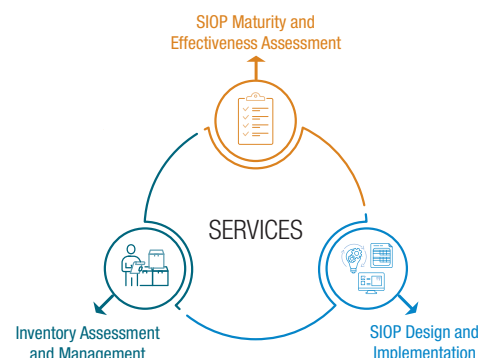
- SIOP Process Blueprinting
- Playbooks, Templates, and Metrics
- Tool Recommendations and Selection Support
- Training, Pilot, and Implementation Execution



Inventory Assessment and Management

Inventory is a balancing act between cost and service. Companies must have enough inventory at the right place at the right time to satisfy customer demand. However, too much inventory ties-up working capital and can result in more inventory than demand, leading to obsolescence. Too little inventory, inventory in the wrong place, or inventory arriving later than needed can result in unhappy customers and/or excess costs to expedite inventory. A&M helps clients achieve this balance. We identify gaps to deliver cost-optimized, customer-centric inventory strategy, process, and accountability for better control and performance.

- Metrics and Master Data Management
- Inventory Planning and Management Systems
- Data Analytics and Insights
- Inventory Modeling



SUCCESS STORIES

SIOP DESIGN AND IMPLEMENTATION HELPS DAIRY COOPERATIVE STABILIZE OPERATIONS, REDUCE INVENTORY WASTE, AND OPTIMIZE PROFITABILITY

A dairy cooperative was experiencing significant operating performance issues while COVID-19 significantly impacted demand mix and channel volumes. A&M was engaged to implement a redesigned SIOP process to stabilize the process of balancing the highly perishable milk supply with finished goods production in a rapidly changing environment. A&M developed balanced demand planning / operations cycles to minimize inventory waste and optimize profitability and enabling a \$50M+ EBITDA improvement.

SUPPLY CHAIN ASSESSMENT RESULTS IN 50% REDUCTION IN INVENTORY REQUIREMENTS

A large private label manufacturer had more inventory than they could store within their facilities. They required 3PL outside storage in addition to their own two warehouses all within the same region. There were significant costs to shuttle product among the facilities and order fulfillment was challenging due to not having the right product in the right location. A&M was engaged to conduct an end-to-end supply chain assessment with a focus on areas impacting inventory. We reviewed planning processes, manufacturing operations, inventory planning and management, and warehouse operations to develop a roadmap of initiatives, both short and longer term, to reduce client inventories by 50%. This reduction in inventory would enable them to exit 3PL storage and shutter a smaller warehouse. Improvement initiatives spanned supply chain operations from segmentation based planning to manufacturing improvements to quality process changes and provided the client with an achievable plan that had quick impact.

SIOP REDESIGN HELPS BEDDING MANUFACTURER RECOVER FROM SUPPLY DISRUPTIONS

During the COVID-19 pandemic, a leading manufacturer of bedding was experiencing significant revenue declines and production issues due to supply disruptions. A&M was engaged to assess and redesign their SIOP process including their sales forecasting, production planning, and manufacturing execution functions. A&M developed a redesigned SIOP process that focused on simplifying the forecasting process and implementing a customer collaboration process. A&M introduced an automated forecasting tool, which was the "source of truth" for business leadership alignment, and enabled broad usage across other functions for material, production, and capacity planning. The new processes implemented by A&M reduced past due orders by 85%, improved the Sales Order On Time Fill Rate by 78%, and increased the Purchase Order On Time Fill Rate by 8%.

INTERIM PROGRAM LEADERSHIP HELPS STATE GOVERNMENT RESPOND TO THE COVID-19 PANDEMIC AND MANAGE AND DISTRIBUTE VACCINES

In the face of the COVID-19 pandemic, state governments were charged with the ordering, management, distribution, and administration of the life-saving COVID vaccines. Having never engaged in such a dramatic distribution effort, Rhode Island engaged A&M to assist across all elements of the program. A&M supported the development and execution of the complete supply chain network, which included: (1) allocating the vaccine safely and efficiently; (2) developing processes and systems to support vaccine order intake, inventory management, and distribution; and (3) supporting reporting, KPIs and executive dashboards used to measure overall performance for program, health department, and state leadership. As a result of these efforts, Rhode Island was able to be amongst the top 5 states across many of the key vaccine distribution and administration metrics.

WHY CHOOSE A&M?

FOCUS ON PROFITABILITY.

We produce bottom-line results faster to increase your profitability.

SOLVING COMPLEX PROBLEMS IS IN OUR DNA.

After 30 years of resolving some of the most urgent challenges in business history, we have honed critical expertise that clients at all maturity levels can use to achieve rapid results.

SENIOR-LEVEL EXPERTISE AND LEADERSHIP.

Our seasoned executives and operators, many of whom held senior leadership positions in industry, bring independent perspectives and practical solutions based on real experience.

OBJECTIVE AND INDEPENDENT.

We are supplier and technology agnostic. A&M offers objective, credible advice you can trust to be in your best interest, not our own.

TAILORED SOLUTIONS.

Your company has unique goals and challenges. We take a fact-based approach to deliver tailored solutions that meet your needs.



"A&M's ability to bring a variety of skills and talents to help us solve critical business issues has created a meaningful and valuable partnership with our company."

— EVP Operations, Major Infrastructure Construction Company

"Engaging A&M with their deep experience in integrated demand and planning services established the framework for our go-forward success. Service levels have risen, improved scheduling has driven throughput savings and working capital has been impacted by lower inventories and reduced obsolescence. A&M is a terrific resource and I would not hesitate to use them again."

— CEO, Major Contract Manufacturer



SALES, INVENTORY & OPERATIONS PLANNING (SIOP) LEADERS



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ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to make change and achieve results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services.

With over 5,000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

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