



DMi case study

International Flavours and Fragrances (IFF) – The smell of success

IFF

✓ 50% of inventory stripped out

✓ cleared the level of previous fire fighting and cost!

✓ increased inventory accuracy from 30% to 95%

✓ much greater focus upon the S&OP/IBP process

✓ maintained customer service levels at 95%

✓ education process extended to the entire workforcebusiness objectives

The Company

IFF are one of the worlds largest producers of flavours and fragrances with its products found in most homes in products such as toothpaste, mouthwash and many food products. Its fragrances appear in fine fragrances and commodity markets such as soap and cleaning products.

Steve Wilson who is now one of the DM Integration Associate Partner Team was the General Manager of the Aroma Chemicals Division located at Haverhill in the UK says “The need for change was staring us in the face, costs were increasing, sale inventory had increased and we were operating informal processes. The company name could well have stood for International Fire Fighters! The response had been to reduce the workforce by 30% having a significant impact on company morale”.

Wilson decided to embark upon a business transformation programme which focused upon sustainable business

LEADERSHIP through INTEGRATION

© DM Integration Ltd 2018

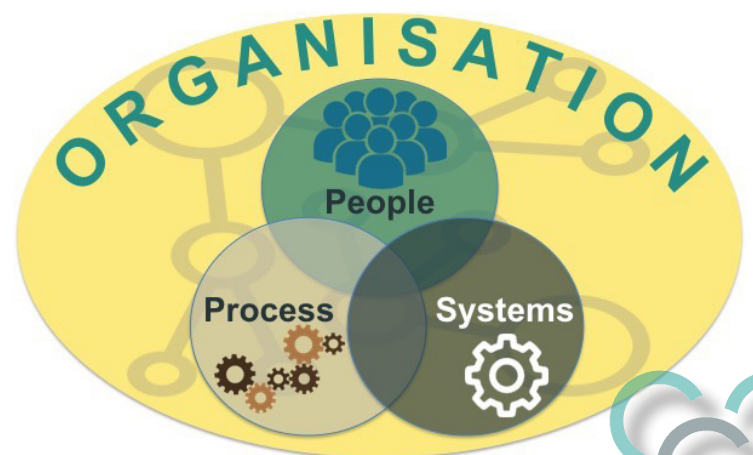


improvement not just the implementation of systems. The programme started with a best practice education phase that helped them understand 'what good looks like' in Supply Chain Management and Sales and Operations Planning (IBP). Targets for process data and performance (KPIs) improvements were set. As a consequence Wilson says " We stripped out 50% of inventory and more importantly increased inventory accuracy from 30% to 95%. At the same time we maintained customer service levels at 95% without the level of previous fire fighting and cost!"

The education process was extended to the entire workforce and all of the KPIs continued to improve. They also placed a much greater focus upon the S&OP/IBP process, which gave management a clear 'line of sight' from strategic execution to day to day operational process and empowered, effective decision making.

The focus of the first phase of the transformation programme had been on education, process improvement, data quality, S&OP/IBP and change management. This created the perfect foundation for them to upgrade their systems and the decision was made to implement SAP's – ERP system. IFF had not had a great track record with previous

systems implementations but they were confident that the work done in Phase 1 of the transformation programme would mean that this time it would be different. An important decision taken was to ensure that change management continued to be applied to the ERP project that focused upon education that explained the why and the what not just systems training. The focus was also not on a 'need to know' or functional basis, IFF recognised that it was about the integration of people, process, systems and the organisation.



Unusually for most ERP implementations the SAP 'go live' went extremely smoothly and within 4 days it was 'business as usual'. Wilson says " We had gained control and accountability with performance levels continuing to improve. The project's success was a testament to the teams drive and determination and also the heavy emphasis put on education and training".

Malcolm Caisley and Dave Manning, then





with Oliver Wight, then conducted a Class A Assessment and IFF were formally accredited at Class A levels of performance. “The shop floor staff have asked why they couldn’t have done all this before, because it makes their lives so much easier” adds Wilson. “We have improved our cost base by more than £1 million per year, S&OP/IBP has been acritical success factor”.

The IFF transformation journey has been an exemplary example of the integration of people, process and systems.

