

Winning in January 2010

improving product availability



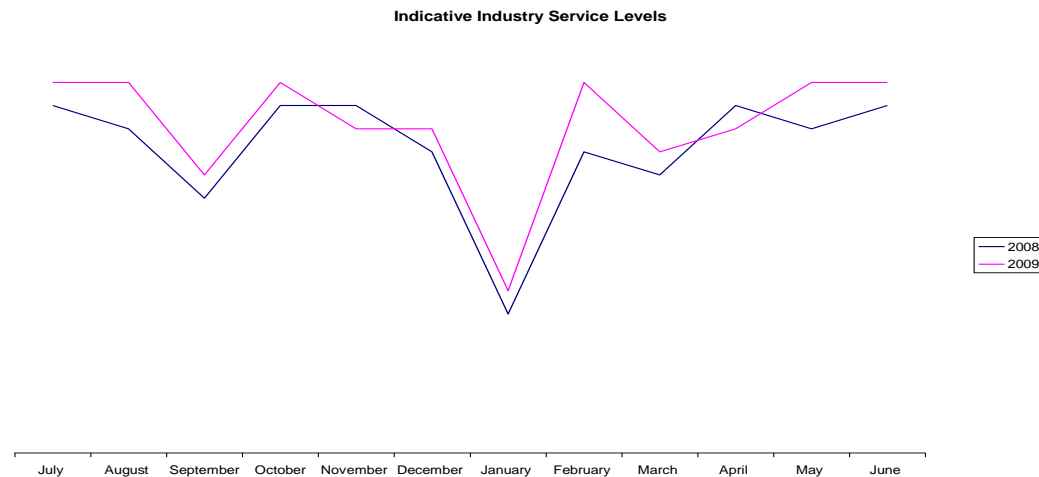
This toolkit is developed with input from the following companies



This document provides guidance for improving product availability and delivering improved shopper satisfaction in the summer period generally and January in particular . It is an adjunct, not an alternative, to the detailed internal and trading partner planning and deployment for January 2010.

January 2009

The general trend reported by retailers / wholesalers for 2009 was a **4 to 5%** reduction in service level across the industry.



There are significant sales growth and customer service improvement opportunities in January.

January Considerations



The month of January is under pressure from a number of independent and significant factors.

- Increase in public holidays leading into and throughout January.
- A change in season / weather.
- High proportion of annual leave taken.
- More production facility shutdowns.
- Less reliable transport offerings.
- Financial year end for many companies.

January 2009 Outcomes

SUPPLIERS

- Lost sales
- Increased distribution costs
- Production overtime / downtime
- Inventory management issues



RETAILERS

- Missed sales
- Service level drop
- Missed / late deliveries increases
- Transport performance issues
- Supply issues

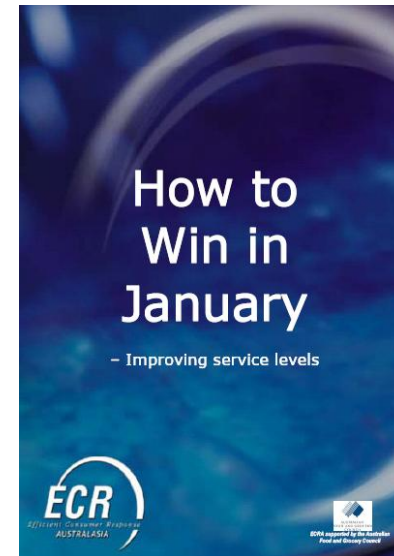
SHOPPER

- Products not available
- Disappointment
- Frustration with retailer

January Review

Key Focus Areas

Plan, plan, plan and plan again
Focus on one number
Daily responsiveness
Understand your trading partner
Operational flexibility
Communication plan
Contingency planning



To download [How to Win in January – Improving Service Levels](https://www.ecraustralasia.org.au)
www.ecraustralasia.org.au

Planning for January

Communication Strategy

Behaviours

Product
Category
Risk Profile

Demand Review

The Plan
ONE NUMBER

Supply Review

Delivery
Planning

Demand
Side
Checklist

Supply
Side
Checklist

Assess Performance

Key performance indicators

Checkpoint:

Although January has a range of specific attributes and this Toolkit has been designed to deliver an improved product availability for this month the detail provided is equally applicable to the remainder of the year. The January plan should be a subset of an overall summer seasonal plan.

January Planning Calendar

The January planning calendar is a guide for planning the key milestones delivering excellent availability for January. It details specific goals; considerations and checklists for use by suppliers and retailers at each stage. The degree to which the engagement process with trading partners is undertaken will be determined by the trading partners and is dependent on factors such as product risk; supply chain complexity; and previous results.

Who:

Supplier: Sales,
Marketing, Production,
Planning, Supply Chain

Retailer: Buyer,
Merchandise
Supply chain.

January Planning Calendar
[- CLICK HERE](#)

Product/Category Risk Profiles

Some products and categories will be particularly susceptible to issues in January. At the outset it is valuable to identify which products are at greatest risk (internal and external) of experiencing issues that drive non-availability. Understanding the level of risk facilitates prioritising and strengthening contingency plans for such products.

Who:

Supplier: Sales,
Marketing, Production,
Planning, Supply Chain

Retailer: Buyer,
Merchandise
Supply chain.

Product Risk Profile
Questionnaire
[- CLICK HERE](#)

Checkpoint:

Historically the following categories have an increased risk during January and require greater focus and flexibility. **Cream; Drinks;** However without planning, implementing and controlling the fundamentals of service level, speed, and optimisation low risk products and categories may be impacted.

Demand Side Checklist

There are many considerations to be incorporated into a successful January plan, some of these are lead by retailers, some by suppliers, and others can only be developed through joint planning – particularly where promotional dynamics and decisions are key.

Ensuring that these considerations are discussed, and included alongside companies internal demand planning processes, will assist to optimise demand side planning for January.

Who:

Supplier: Marketing,
Sales, Supply, Production

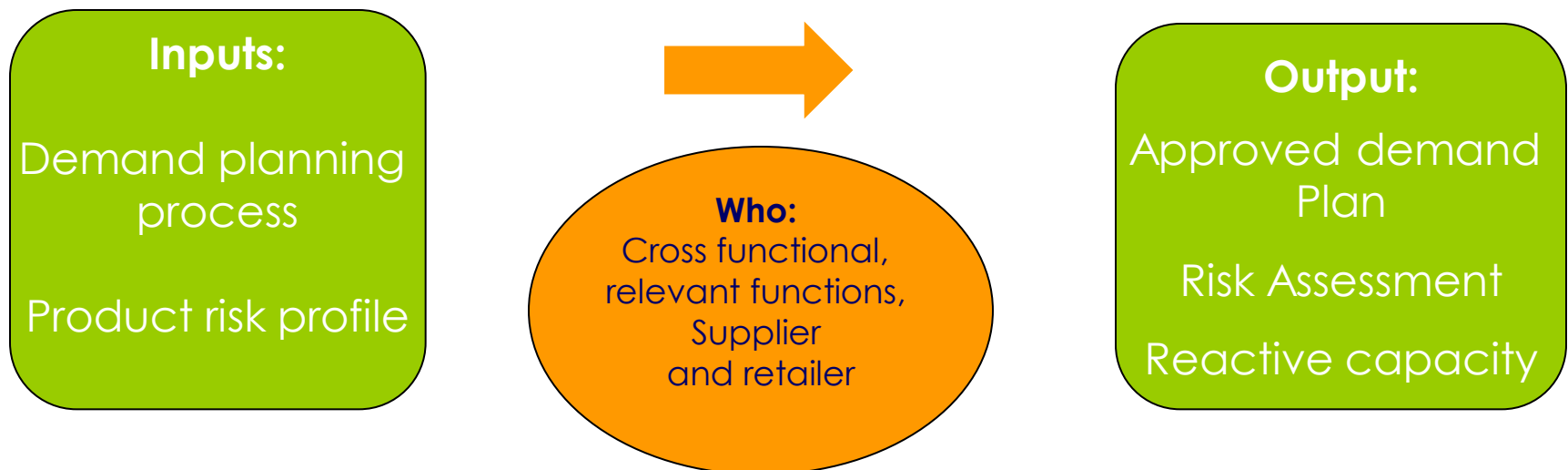
Retailer: Buying,
Merchandising,
Supply Chain

Demand Side Checklist

- [CLICK HERE](#)

Demand Review

The demand review incorporates all demand side inputs and identifies the proposed sales volumes and timings. In the case of January demand planning, this should not only incorporate the outputs of a suppliers demand planning process, but also consider the product risk profiling outcomes. It must ensure demand and supply are in balance; the customer demands are met by the companies ability to supply.



Supply Side Checklist

There are many considerations facing suppliers when developing plans to ensure supply through the month of January given the particular challenges this period presents. Ensuring that these considerations are discussed, and included alongside companies internal supply planning processes, will assist to optimise supply side planning for January.

Who:

Supplier:
Supply, Production, sales

Supply Side Checklist
- [CLICK HERE](#)

Supply Review

The purpose of the supply review is to create an achievable supply plan based on the agreed demand plan. This involves review of supplier capacities and detail procurement, manufacturing and logistics plans and consideration of the challenges presented by January.



Delivery Planning



■ Retailers to complete and send to suppliers

■ Suppliers to complete and send to retailers

Communicate DC opening hours, delivery plans and capabilities prior to season:

**Retailer DC Goods
Receipt Hours**

- [CLICK HERE](#)

Retailer advice to suppliers as to when DCs will be able to receive supplier deliveries

**Retailer DC
Stocktake Schedule**

- [CLICK HERE](#)

Retailer advice to suppliers regarding timing and impact of stocktakes during season

**Supplier Delivery
Capability**

- [CLICK HERE](#)

Supplier advice to retailers as to when supplier is capable of delivering orders outside regular hours

**Supplier Closure
Schedules**

- [CLICK HERE](#)

Supplier advice to retailers regarding periods where supplier DC or factory will not be open during season

Delivery Issue Management



■ Retailers to complete and send to suppliers

■ Suppliers to complete and send to retailers

Communicate contacts lists for logistics issues resolution during season:

**Retailer Contact List
If issues**

[CLICK HERE](#)

Primary and back-up contacts at retailers if supplier has logistics issue needing resolution

**Supplier Contact list
if issues**

[CLICK HERE](#)

Primary and back-up contacts at suppliers if retailer has logistics issue needing resolution

Bulk Delivery Contacts

[CLICK HERE](#)

Retailer contacts if bulk deliveries need to be made and have not been pre-planned

The Plan

One set of numbers used horizontally across the business departments and with trading partners becomes the basis for decision making. The number should be vertically integrate such that management level reports translate directly to planning level activity. It should provide a common language for the business and basis for quantitative decision making.

Inputs

Approved demand plan
Supply plan
KPI's

Who:

Retail & Supply
buyer / seller
Supply Chain / Operational
Teams

Outputs

Approved actions
to meet demand
and supply plans

Checkpoint:

Does a change in the demand plan automatically translate to changes in purchasing and production requirements?

Do changes to purchasing /procurement plan link back to financial projections of expenditure and Inventory levels?

Communication



A key element for January plans is effective communication between all parties (up-stream supplier, manufacturers, retailers, transport providers) and excellent internal communication channels. It is this issue that is often not planned for adequately.

**Communication
Requirements Plan**
[CLICK HERE](#)

**Outline of communication
requirements by functional
area**

**Communication
Matrix by Topic**
[CLICK HERE](#)

**Contacts listing for
commercial issues (Note
Supply contacts captured
under delivery and goods
receipt planning)**

Behaviours

Establish Business Goals - jointly

- Centre decisions around improving product availability for the shopper.
- Determine jointly agree metrics.
- Align reward system to promote the business goal.
- Align communication plans to support the business goal.
- Agree on performance assessment criteria.

**Business Goals
Template**
[CLICK HERE](#)

Who:

*Engage with the right people
Cross functional teams provide analysis
to support Buyer / Seller discussions*

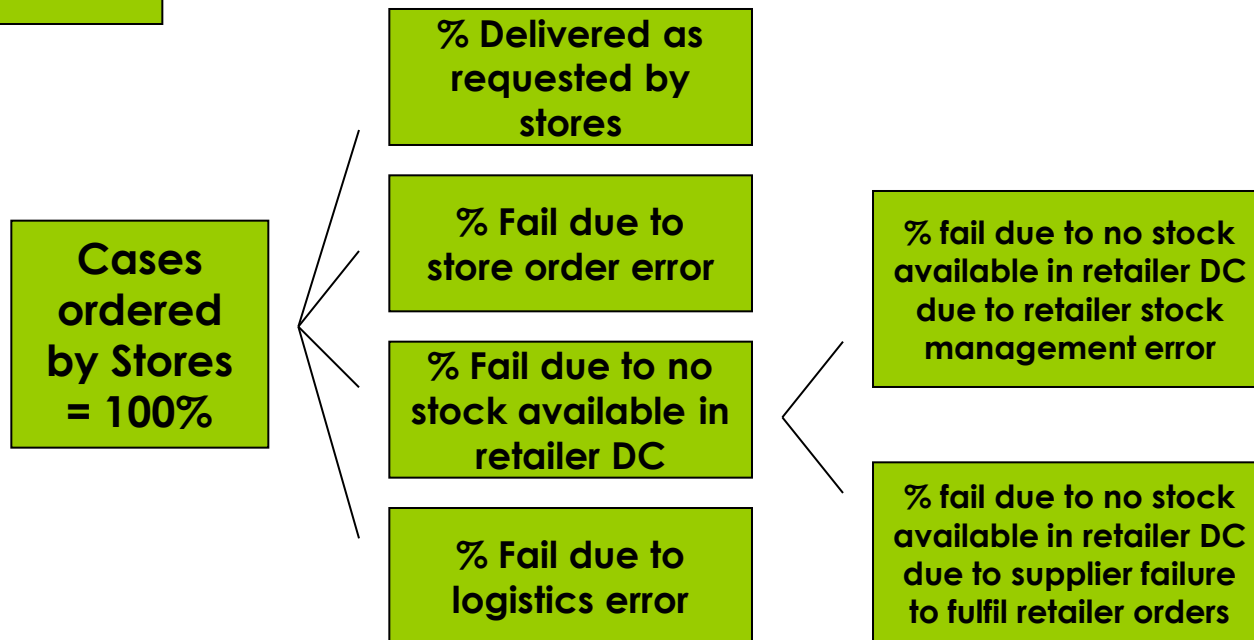
IT IT
Distribution Distribution
Logistics Logistics
Sales Merchandising
Accounts Accounts
Marketing Marketing

Performance Assessment KPI's - Retailer



Track level of order fulfilment for January 2010 and causes of failures:

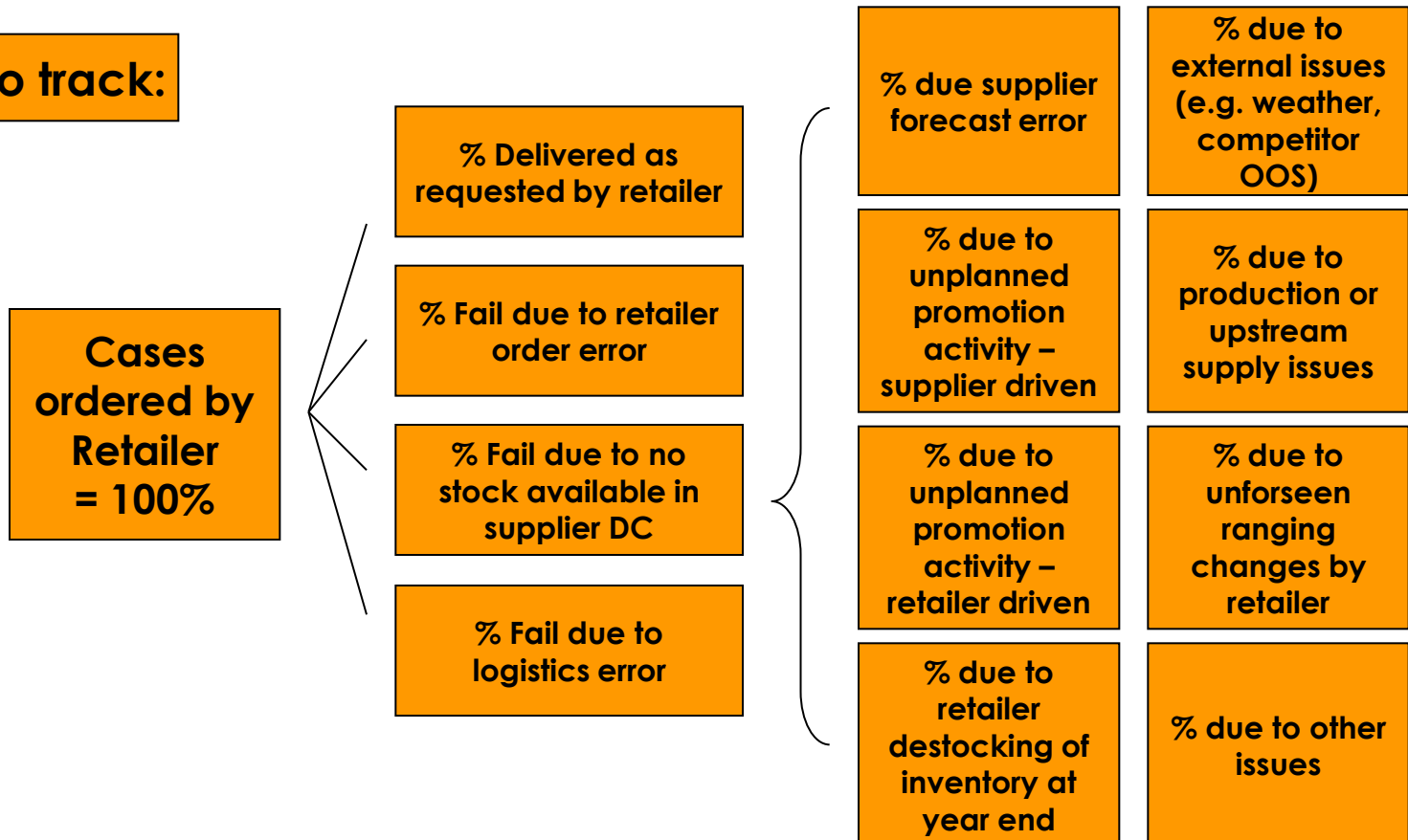
Retailers to track:



Performance Assessment KPI's - Supplier

Track level of order fulfilment for January 2010 and causes of failures:

Suppliers to track:



Further Information



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