Seven reports every supply chain executive needs

Supply Chain Performance Management with IBM

Cognos software

Contents

Abstract

This white paper describes the need for effective, efficient performance management software to help drive success in today's complicated supply chains. Such systems can give executives real-time visibility into current performance, with a level of detail never before possible. And the best systems — such as those from IBM — wrap all the information into easy to use, easy to understand reports that help executives identify and react to trends as they are happening.

Overview

With increasing requirements for better service, new products, and quicker delivery the manufacturing sector remains one of the most competitive. Everyone across the supply chain must help reduce costs, streamline production, and speed delivery in order to help their company compete and remain profitable.

To accomplish this, companies worldwide are turning to Supply Chain Performance Management (SCPM) solutions that can improve efficiencies and streamline processes.

And while these systems have achieved success, not all of them are created equal. Only the best SCPM systems give executives the easy, on-demand access to current performance data they need to drive change and improve supply chain operations.

Business problems

Manufacturers around the world have invested millions in enterprise and supply chain management systems (e.g. SAP, i2, Manugistics, and others) and various supporting software applications to help them improve the performance of their supply chains. This approach has improved efficiencies, centralized data storage and collection, and streamlined key processes.

Yet for the volumes of data that they generate, these systems have not delivered what supply chain managers truly need—*complete* visibility so they can answer the burning questions, and take corrective action across every aspect of the supply chain.

Business drivers

Several critical questions drive business decisions for today's supply chain executives. These include:

- Which suppliers are the most reliable? Which have balances outstanding?

- How many days of inventory exist in each warehouse? Are we meeting demand?

- How close are material forecasts to actual results?

- What lead times are required to fulfill an order?

- Which plants have completed the highest number of work orders on time?

- Which plants are performing best against costs? Has this changed over time?

The solution

IBM Cognos SCPM

IBM Cognos® Supply Chain Performance Management (SCPM) solutions encompass the complete range of capabilities executives need to build and manage a high-performance supply chain:

- Interactive scorecards and dashboards

- Business event management

- Reporting and analysis

- Data integration

- Planning

- Budgeting

- Forecasting

- Consolidation.

Seven critical reports

Here are examples of seven IBM Cognos SCPM reports that supply chain executives will find most valuable:

1. **Plant Performance Maps:** IBM Cognos SCPM solutions provide a graphical, at-a-glance representation of all production facilities and how they are performing. By simply clicking on a location, supply chain professionals are able to detect performance issues and drill-down into each facility.
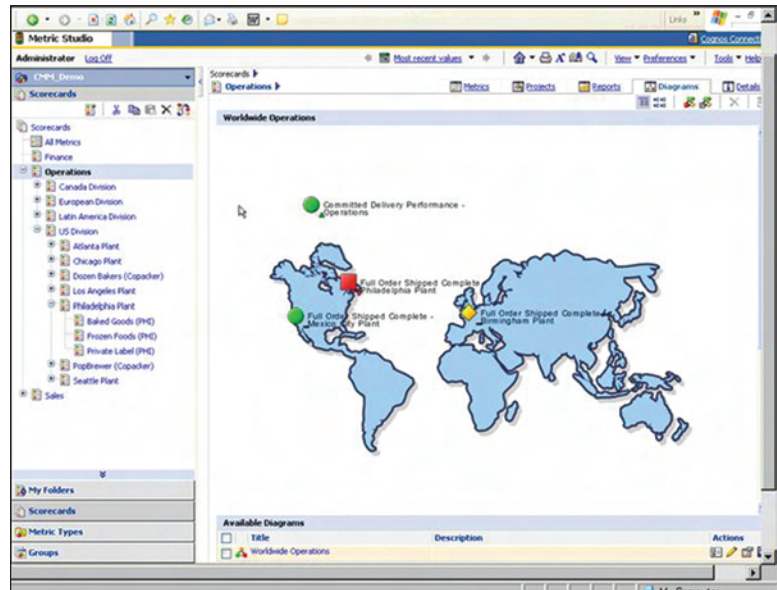
2. **Plant Performance Dashboard:** An IBM Cognos digital dashboard can display visual reports of each plant's operations. Users can drill down into the key metrics of each report, such as procurements, material management, production, customer demand, and safety to gain greater insight into overall plant performance.
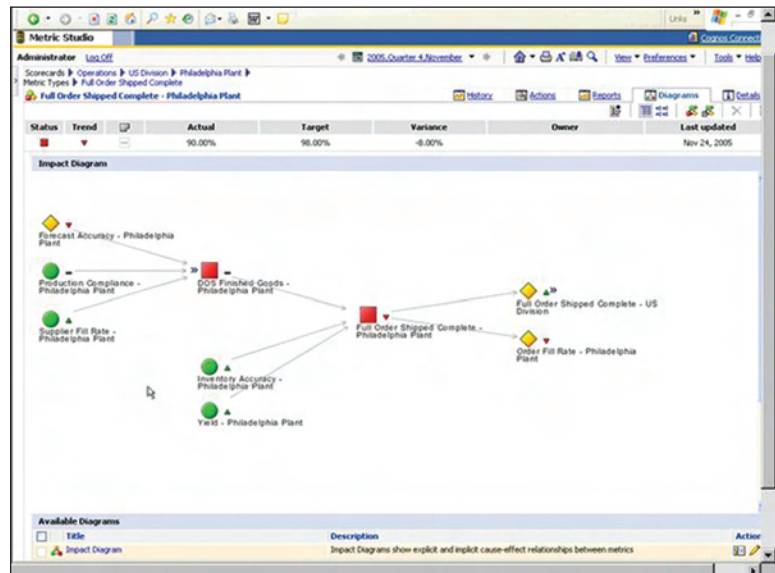
3. Material Management Report: IBM Cognos SCPM solutions allow supply chain personnel to manage inventory at optimal levels by identifying usage and coverage trends. This visibility helps reduce excessive or unnecessary carrying costs and inventory write-downs, enabling organizations to free up working capital and boost profitability. With IBM, companies can see how trends in the value of inventory compare with inventory turns and days of coverage so they can uncover opportunities and issues in material management.
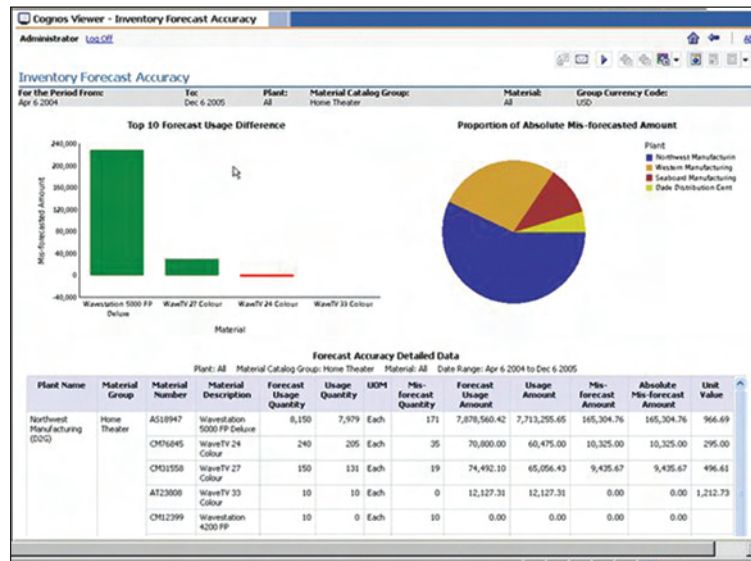
4. Production Scheduling Report: IBM Cognos SCPM solutions enable full visibility of upcoming jobs and priorities by combining information from routings, existing production schedules, and plant capacity. Companies can also factor in downtime, vacation schedules, and preventative maintenance to meet customer demand and commitments, helping the organization run at optimal capacity.

5. Event Notification: With pro-active event notifications, any user across the organization or value chain can be kept informed of critical events — material part shortages, quantities required, quantities rejected, customer shipments at risk — whether the shipment is in the office or on the road. Early notification of potential disruptions enables corrective action or alternative measures to meet material, production, and customer requirements.
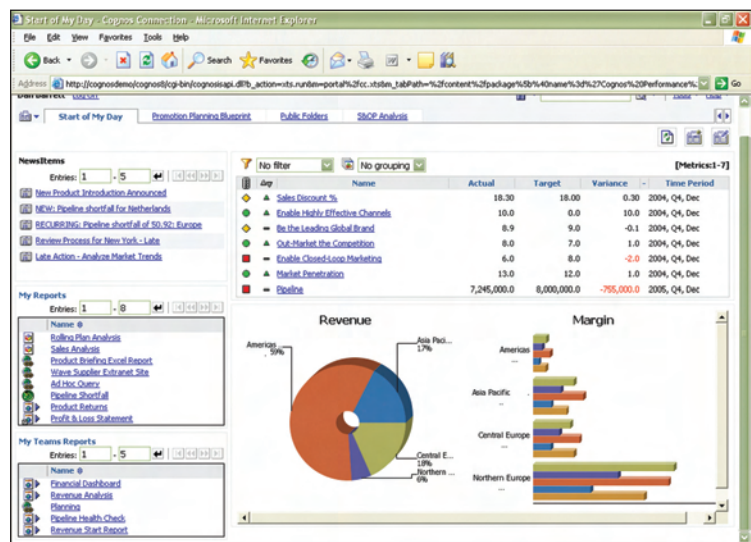
6. Supplier Relationship Scorecard: Effective suppliers are critical to success. With IBM Cognos SCPM solutions, supply chain professionals can monitor key performance indicators – such as on-time delivery, quality performance, reliability, and average lead-time – across multiple locations and suppliers. They can analyze current status and trends versus previous periods. They can identify strategic suppliers, optimize their suppliers across materials, and negotiate better terms. The result: reduced cost of goods sold, higher quality of materials, and increased reliability of supply.

7. **Downtime Analysis:** By identifying variances in material usage, downtime, labor and overhead by shift, operations, and suppliers, organizations can drive maximum productivity across all areas of the enterprise.

Customer success

IBM Cognos SCPM solutions provide rapid deployment and ease of use. Integration with common industry portals and extranets lets customers, partners, and suppliers access dashboards, reports, alerts, and other important content. IBM also has strong partnerships with the leading ERP and supply chain application vendors including SAP, SSA, QAD, INFOR, Oracle, Manugistics, Kinaxis, Acorn Systems, Smarttime, and Agile.

In addition, IBM Cognos Supply Chain Analytics (part of IBM Cognos Performance Applications) deliver hundreds of prebuilt reports, metrics, and connections to standard data sources to help you understand your supply chain performance, throughput, quality, productivity, inventory, and costs. With the all steps for building analytics delivered out-of-the-box, IBM Cognos Supply Chain Analytics brings decision-makers and IT together with a fast solution for maximizing operations.

IBM Cognos SCPM solutions have brought tremendous value to some of the world's largest manufacturers. Thirty-eight of the largest 40 manufacturers use IBM Cognos solutions, including all of the top 10 automakers. Our solutions also are used by 86 of the top 100 companies in the Fortune 500.

With IBM Cognos SCPM solutions acting as the performance management layer on top of their existing supply chain applications, companies such as Zarlink Semiconductor and Hyundai Car (UK) have all experienced demonstrable improvements in their supply chain performance. For example:

- **Zarlink Semiconductor** saved $40 million through increased efficiencies using IBM Cognos reporting and analysis.

- **Hyundai Car (UK)** identified savings of £75,000 over two years by reducing spend on external supplier data.

Conclusion

As manufacturers continue to feel the pressure of increased competition and customer demands, supply chain executives finally have the tool they need to support operational excellence.

IBM Cognos SCPM software enables supply chain executives to provide a strategic approach to improving supply chain performance by providing visibility into critical processes, customer needs, inventory requirements, areas for cost reduction, and the reasons behind the results.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos

Request a call

To request a call or to ask a question, go to www.ibm.com/cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.