

NCR S&OP Journey

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AGENDA

Section

- ABOUT NCR
- NCR S&OP JOURNEY
- APPROACH AND ENABLEMENT
- RESULTS
- WHERE WE ARE HEADED & LESSONS LEARNED

ABOUT NCR

ABOUT NCR

\$6.4B

Trailing 12
month revenue

\$984M

Trailing 12 month
EBITDA



1,270

PATENTS HELD
BY NCR

20,000+

SERVICE
PROFESSIONALS
in 90 countries
around the world



34,000

PROFESSIONALS



7th

MOST REPUTABLE
BRAND IN
TECHNOLOGY



18M

DIGITAL BANKING
USERS



TOP 100

TECHNOLOGY
INNOVATORS

75,000

SITES USING
Aloha Platform



8M

SERVICE REQUESTS
REMOVED
RESOLVED



134 years as
a technology
innovator



NCR Understands Customer Interactions

Because we interact with consumers everywhere

Financial Solutions



- ATMs
- Consulting Services
- Financial Kiosks
- Branch Solutions
- APTRA™ Software
- Payment Solutions



#1 in Financial Self-Service

Source: Nielsen Report

Retail Solutions



- Self-Service Solutions
- POS and Other Assisted-Service Solutions
- Software, Consulting and Services



**#1 in Scanners
#1 in POS Software**

Source: Venture Development Corp.

Travel & Hospitality



- Airline check-in
 - Paper
 - Mobile
- Ticket & reissue
- Car rental kiosk
- Hotel Check-in



8 out of 10 airlines use NCR Travel

Source: Frost

Healthcare



- Patient check-in
- Wayfinding
- Co-pay
- E-signature
- Self-scheduling



New industry

Entertainment & Gaming



- Cash dispensers in casinos
- Entertainment kiosks
 - Rental
 - Buy/Sell/Trade
 - Digital Download



New industry

NCR Consumables



- High-quality Document and Media Consumable Solutions
- Consumables Consulting, Logistics and Sourcing Services
- eCommerce Services



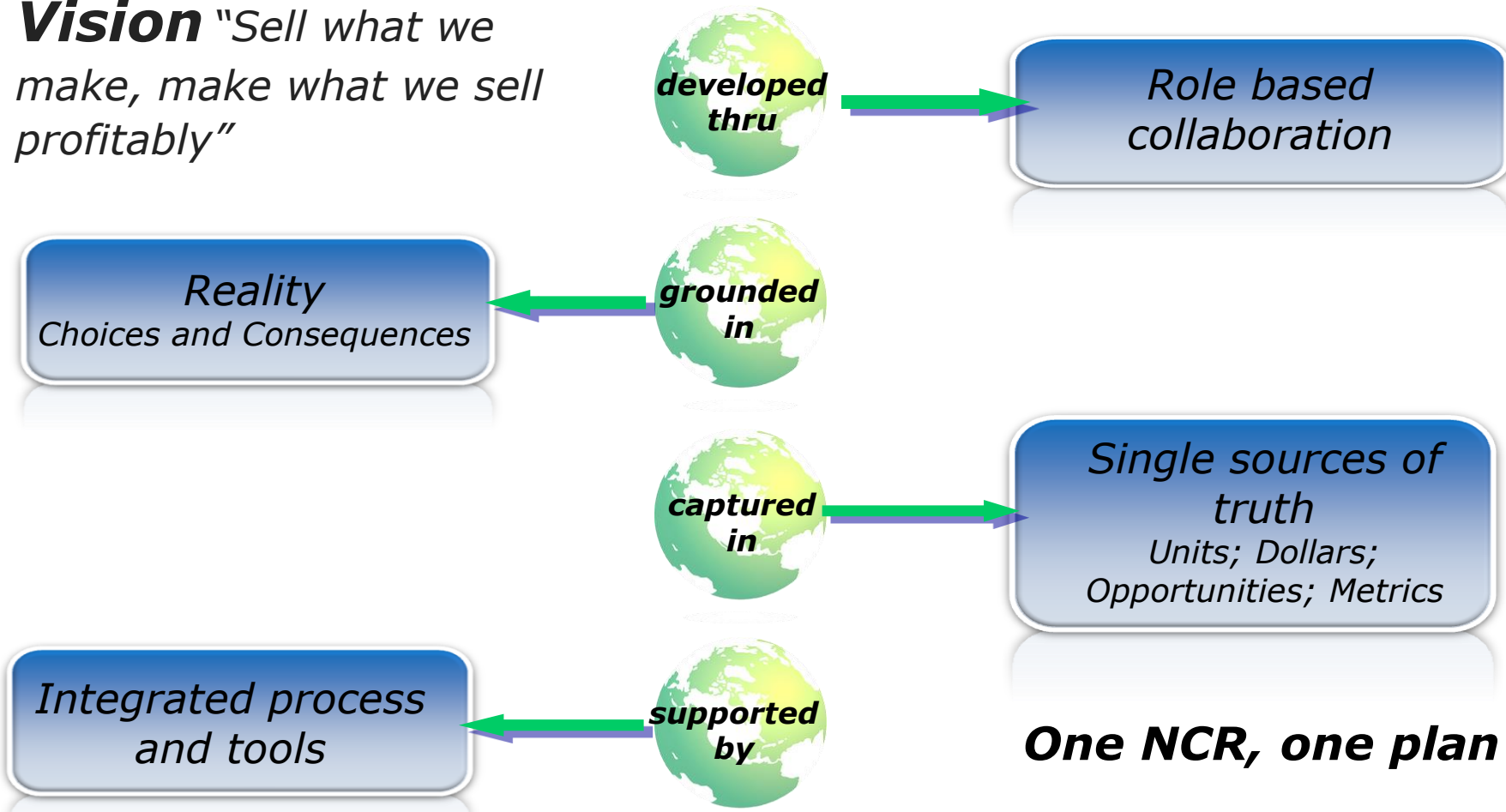
The Leading Global Printer Consumables Company

NCR S&OP JOURNEY

S&OP Vision & Principles- Starting Point

Based on the following **Principles**

Vision "Sell what we make, make what we sell profitably"

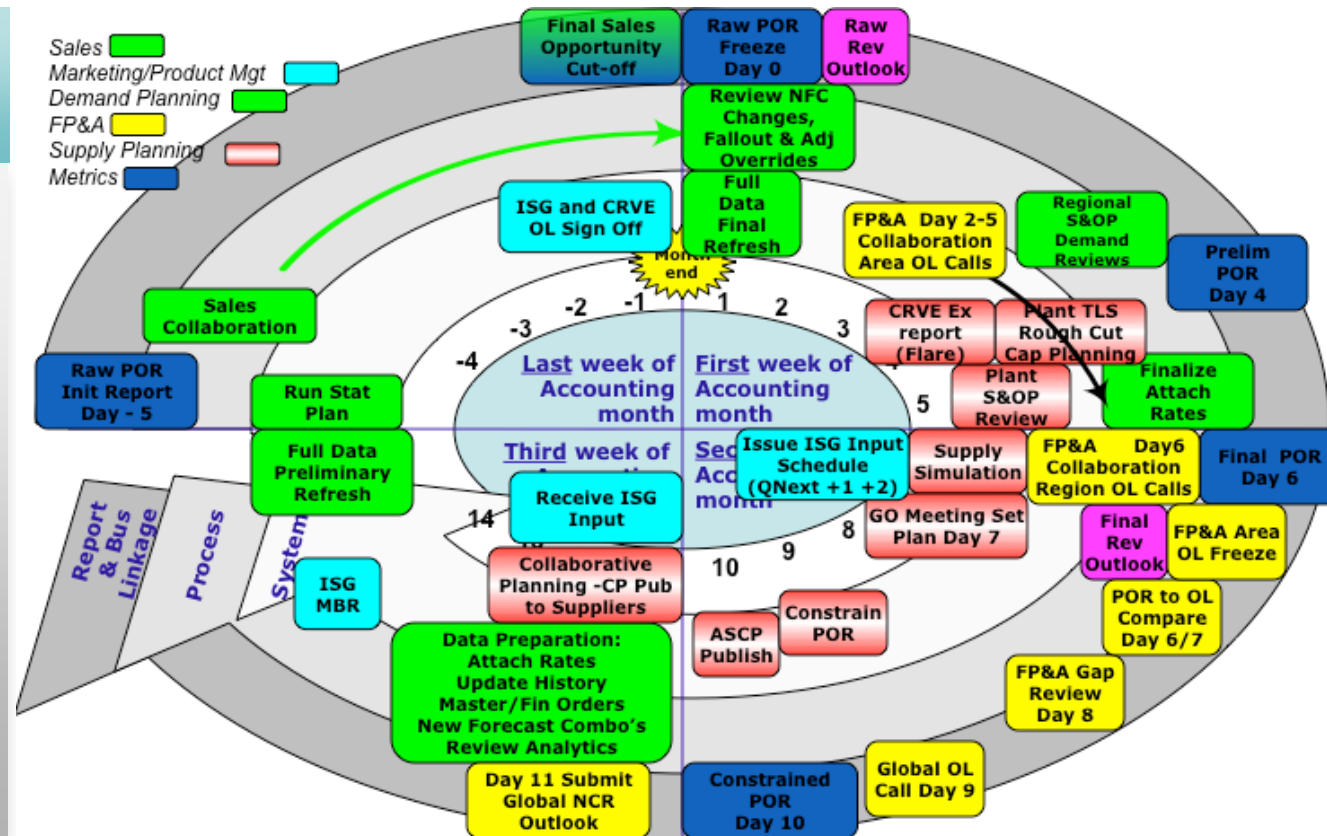


One NCR, one plan

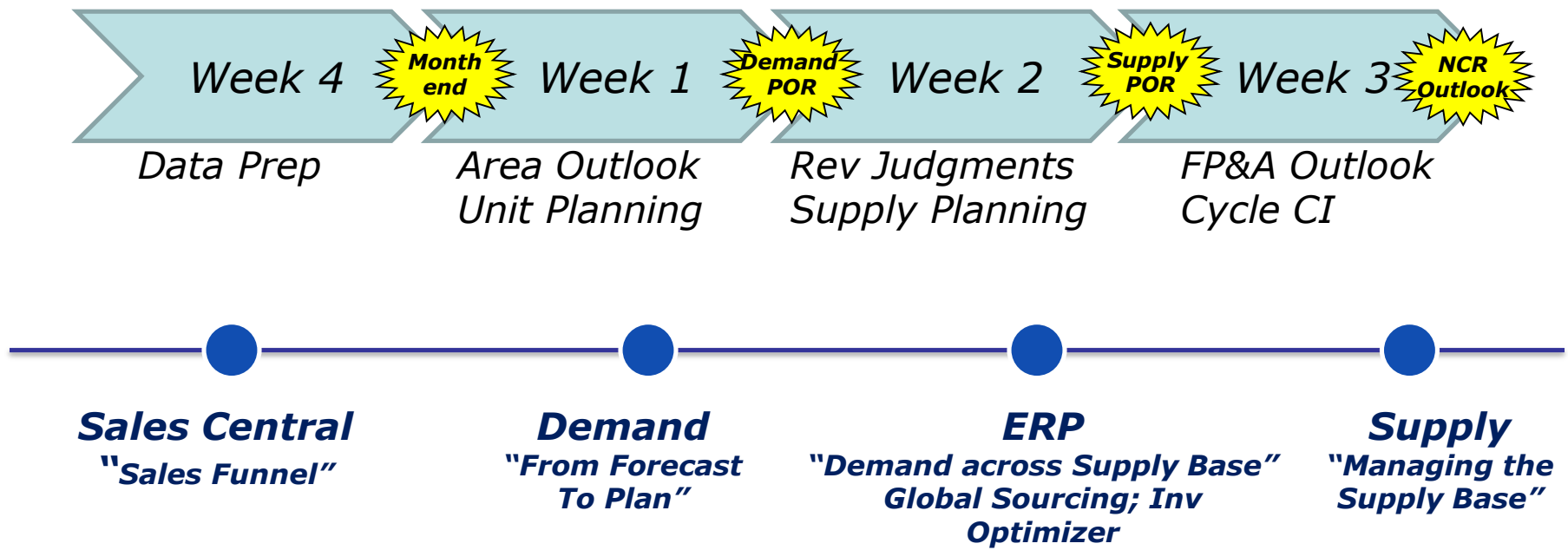
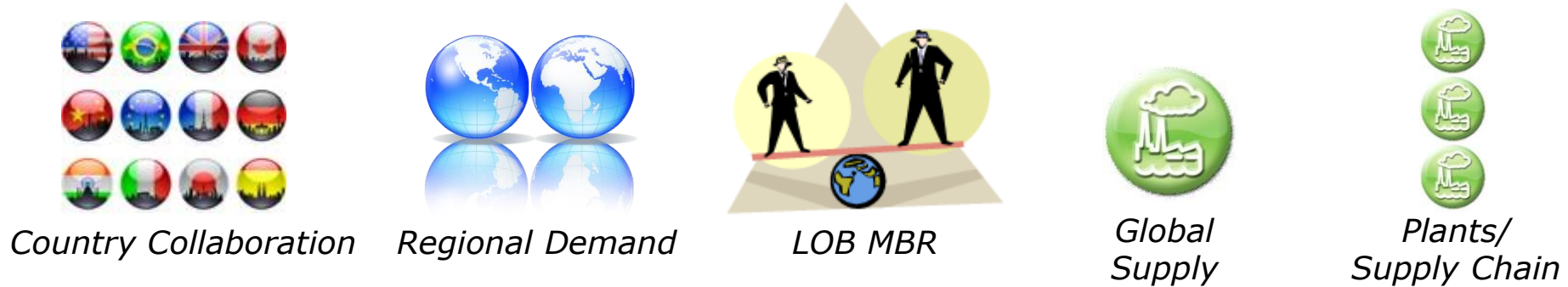
Driving to NCR business goals

Results

- Up to 20% reduction in forecast error
- Planning cycle times reduced by 25%
- Inventory reduction – DP accuracy enabled lower safety stock levels
 - E&O expense reduction
- Factory blown slot avoidance – minimize DP related misses
- Maturity to advanced capabilities – CPFR, inventory postponement, capable-to-promise



S&OP Outlook Cycle Realized



S&OP KPIs & Tool & Process



Country Collaboration



Regional Demand



LOB MBR



Global Supply



Plants/
Supply Chain

DASHBOARD/REPORTING

MAPE 2/3/4
Bias Tracking
Volatility
Vs Naïve F/C



Unit/Class/Feature

Performance Vs
Plan & Outlook-
Units/\$



MAPE 2/3/4
Bias Tracking
Volatility
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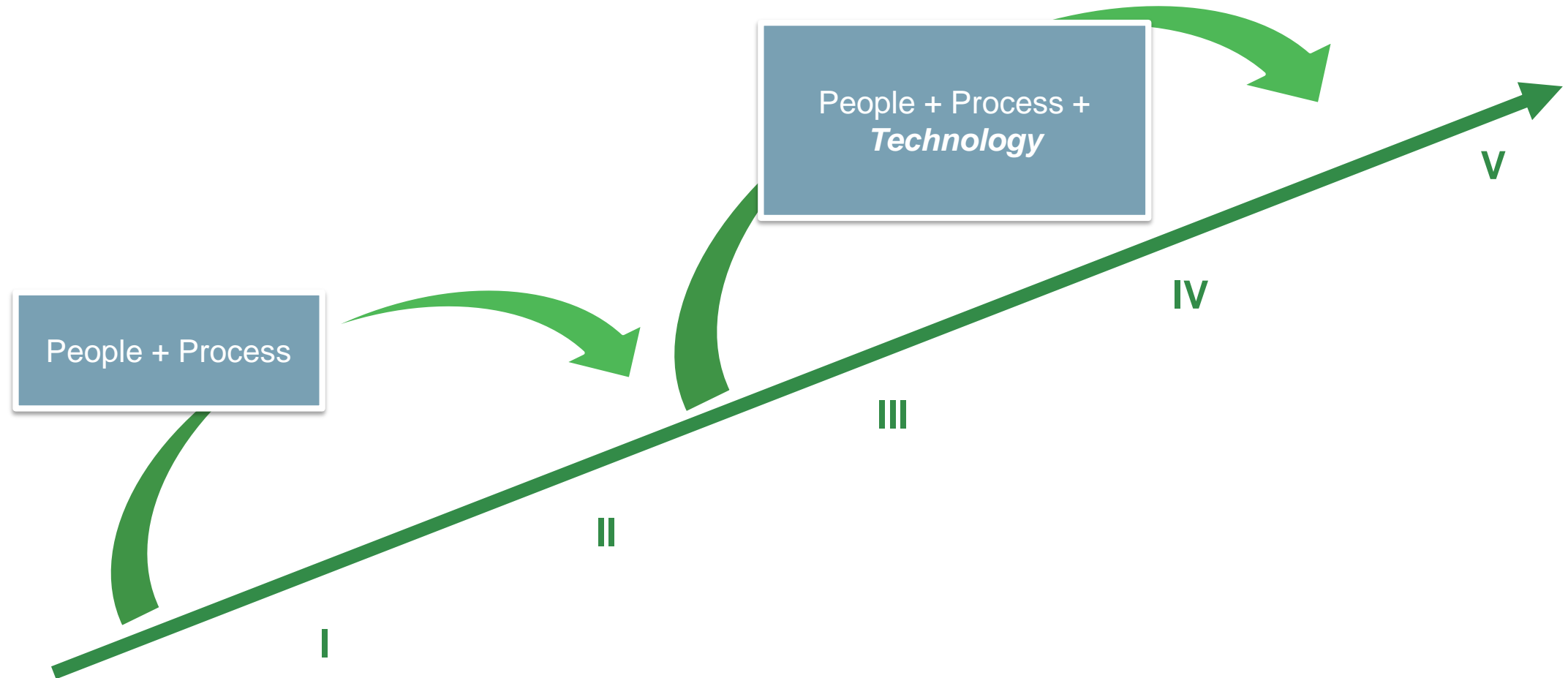
Sales Central
"Sales Funnel"

Demand
"From Forecast
To Plan"

ERP
"Demand across Supply
Base" Global Sourcing;
Inv Optimizer

Supply
"Managing the
Supply Base"

People + Process can only take you so far



S&OP Process Maturity

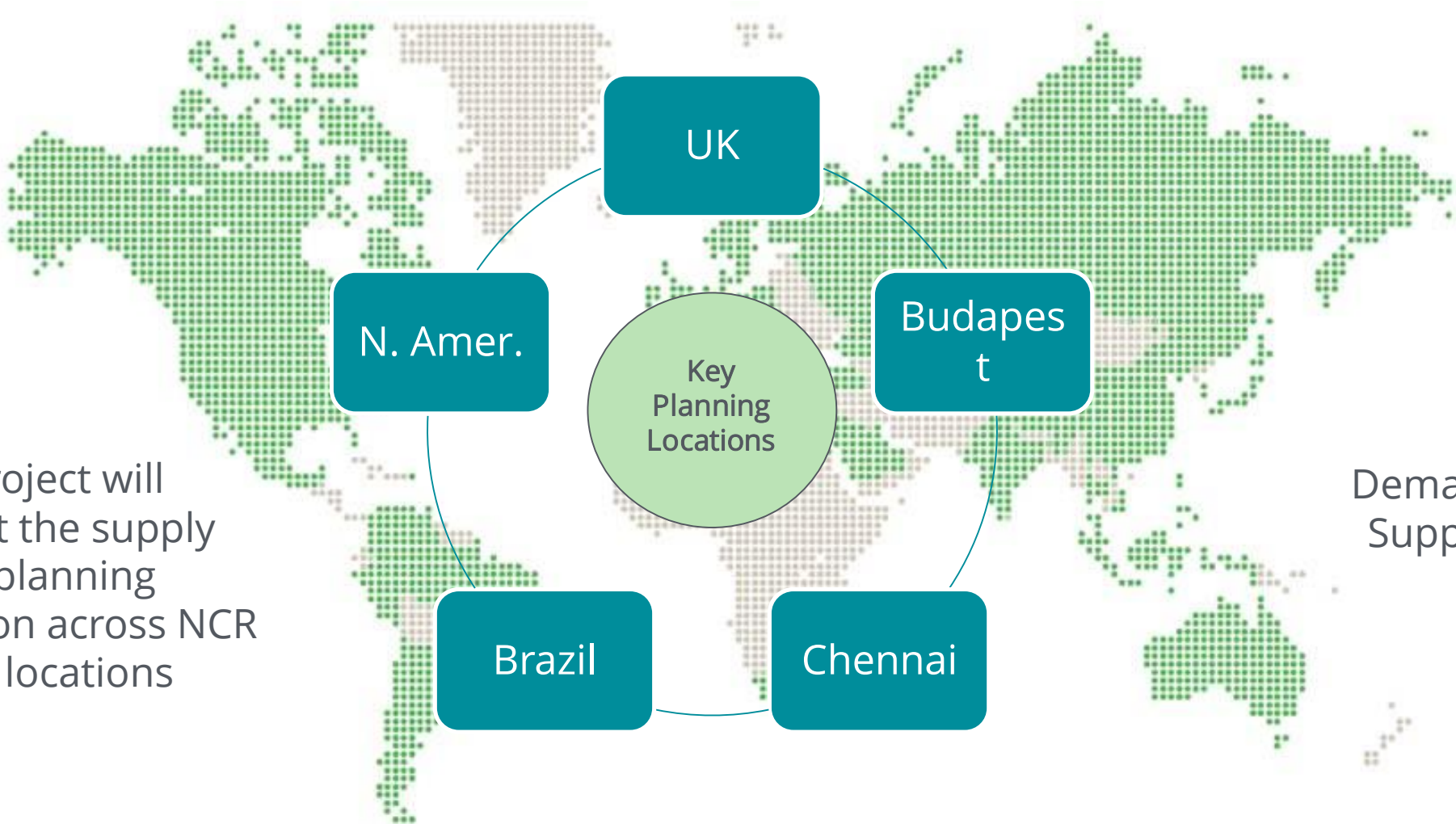
Project Motivation

The Need for Change

- NCR is challenged with consistent and effective execution of planning and fulfillment of demand
- Current business solution is unnecessarily complex and not producing consistent business results
- Multiple systems do not provide a single-source-of-truth
- Oracle Planning Cloud was chosen because:
 1. It aligns with “One System” strategy to simplify the enterprise solution
 2. Lower total cost of ownership (\$1.8M over 3 years)
 3. Sufficient functionality which Oracle is continually improving

Organizational Scope

Planning Cloud will be a Global Deployment



The project will impact the supply chain planning function across NCR global locations

Demand Planning
Supply Planning
S&OP

High-Level System Scope & Process Impact

Software Replacement Scope

Business Function

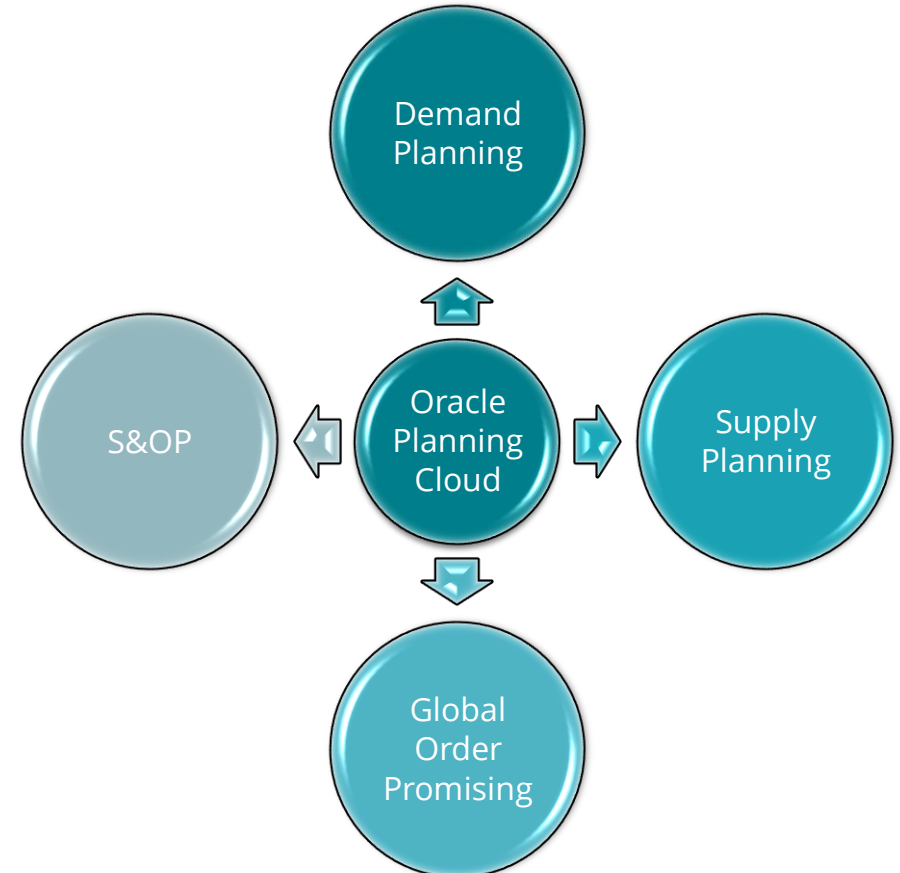
- Demand Planning
- Supply Planning
- Inventory Planning
- Material Purchasing
- Hospitality Depot
- S&OP

- MRP/Purchasing
- Available-to-Promise

Oracle Demantra

Kinaxis

Oracle ASCP



Why Change?

- System has become highly complex
- Manually intensive & data latency
- Highly customized and interfaced
- New Software Economically Attractive

Benefits

- ✓ Simplify Business Process Design
- ✓ Increase productivity & data accuracy
- ✓ Once source of truth for planning
- ✓ Future of the Digital Supply Chain

Organizational Scope

Directly Impacted Business Groups

Directly impacted groups are those who have day-to-day interaction with the systems being replaced (Kinaxis, Demantra, Oracle ASCP).

Who Is Impacted?

- Demand Planning
- FG Supply Planning
- RM Supply Planning
- Master Scheduling
- Depot Planning

What Will Change?

- New application to learn
- Process Re-design
- Operating procedure changes (SOP)
- Reporting Changes

Demand Management Cloud

Key Solution Elements

Key Features

- Unified demand and supply planning
- Exception based process
- Manage exceptions using thresholds
- New product forecasting
- Advanced modeling
- Forecast Approval



Manage Sales History

- Sense and Analyze multiple demand signals
- Adjust for outliers
- View customer & location details
- Year-over-Year comparisons



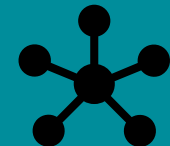
Manage Forecasts

- Transparent statistical forecast results
- Units and % Overrides
- View forecast in units and dollars \$
- Visibility of Sales Forecast
- Waterfall accuracy analysis of past forecasts
- Attach rate based forecast for features



Multi-Dimensional Views

- Item – Product Category
- Model - Class – Range
- Master Customer – Key Account - LOB
- Country - Region - Area



Supply Planning Cloud

Key Solution Elements

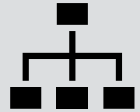
Key Features

- Common Dimensions and Hierarchies between Demand and Supply planning
- Rich set of User Interfaces
- Ready-To-Build
- Build Plan
- Material Plan
- Plan Comparison
- Rough Cut Capacity Planning
- Drop Ship planning
- Back to Back planning
- Outside Processing
- In Memory based Simulations



Multi Planning Item Types

- Configure to Order (CTO) items
- Standard items
 - End items
 - Raw Materials



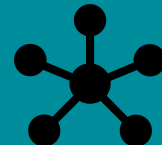
Plan by Exception

- Inventory shortage exceptions
- Reschedule existing orders
- Lead time exceptions
- Drill down to planning details



Plan for Multiple Demand Inputs

- Local Forecast from Demand Planning
- Customer sales orders (&PBO's)
- Internal sales orders
- Safety stocks



Safety Stock

- Statistical calculation of end items using forecast
- Item attribute days of supply
- User Defined safety stock



Sales & Operations Planning (S&OP) Cloud

Key Solution Elements

Key Features

- Built-in best practices S&OP Processes
- Built-in aggregate supply planning
- Balance demand and supply
- Multi dimensional views
- Rough Cut Capacity Planning
- Plan Comparisons
- Consensus based forecasting
- Exception based process
- Revenue and Cost Tracking
- Built-in S&OP review dashboards incl. Product review
- Rapid in-line simulation



Manage Planning Cycles

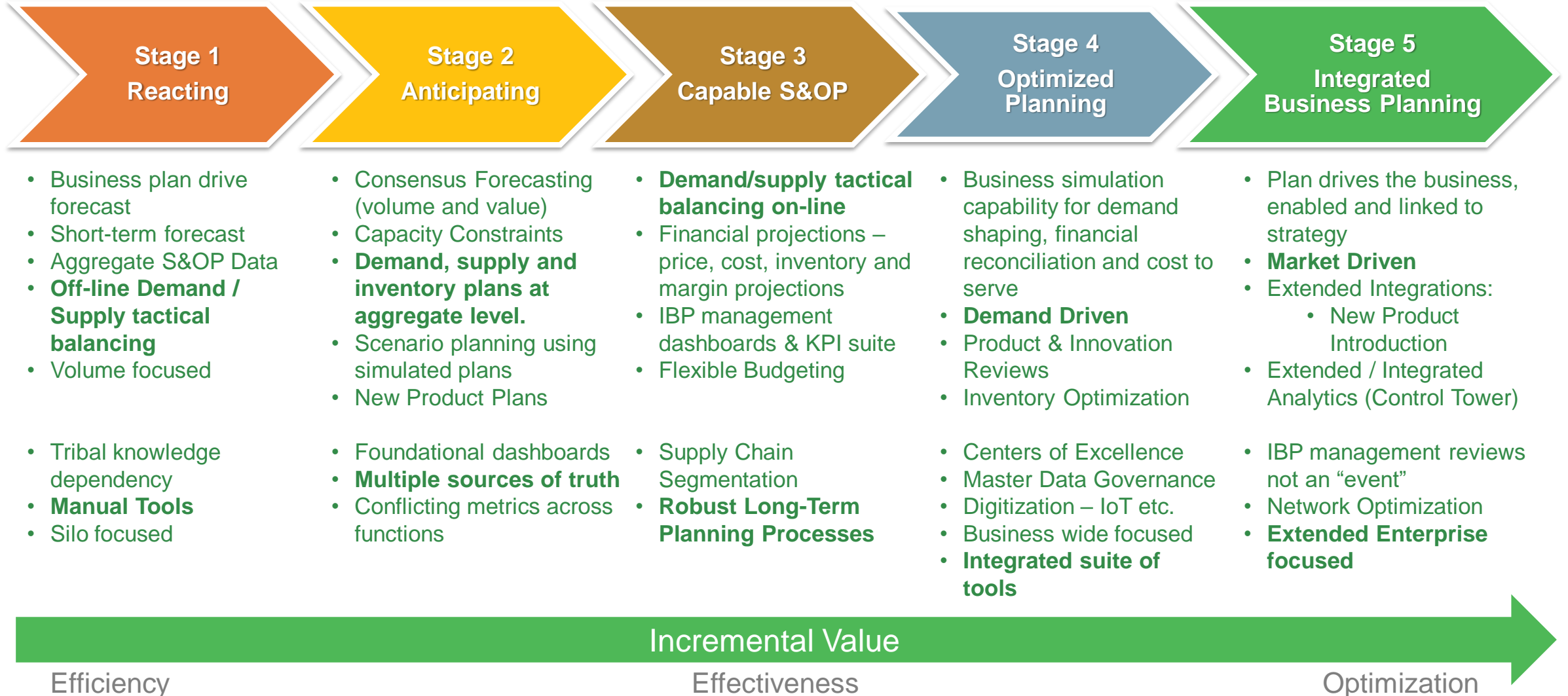
- Rich out of box content – dashboards, analytics
- Process definition based templates
- Actions and decisions based
- Capturing forecast assumptions and tracking
- Units and dollarized views



APPROACH

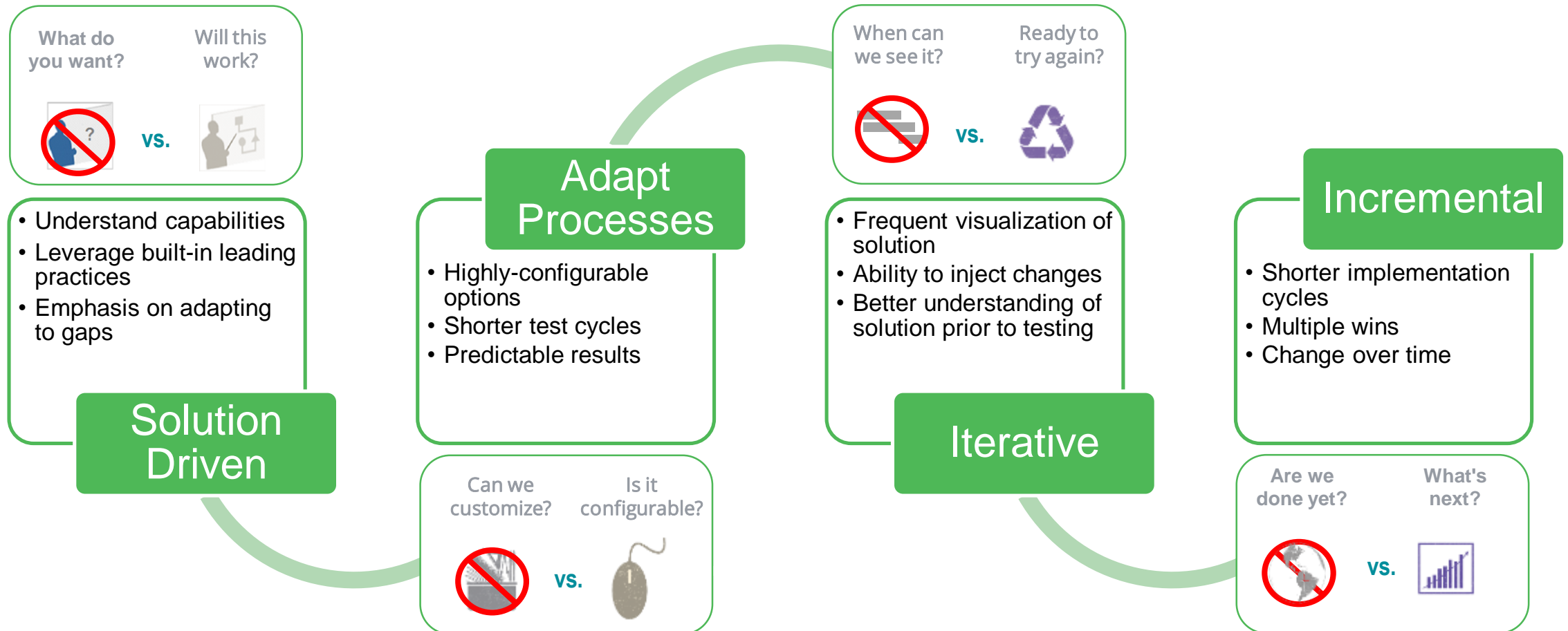
S&OP is a journey

Inspirage Maturity Framework

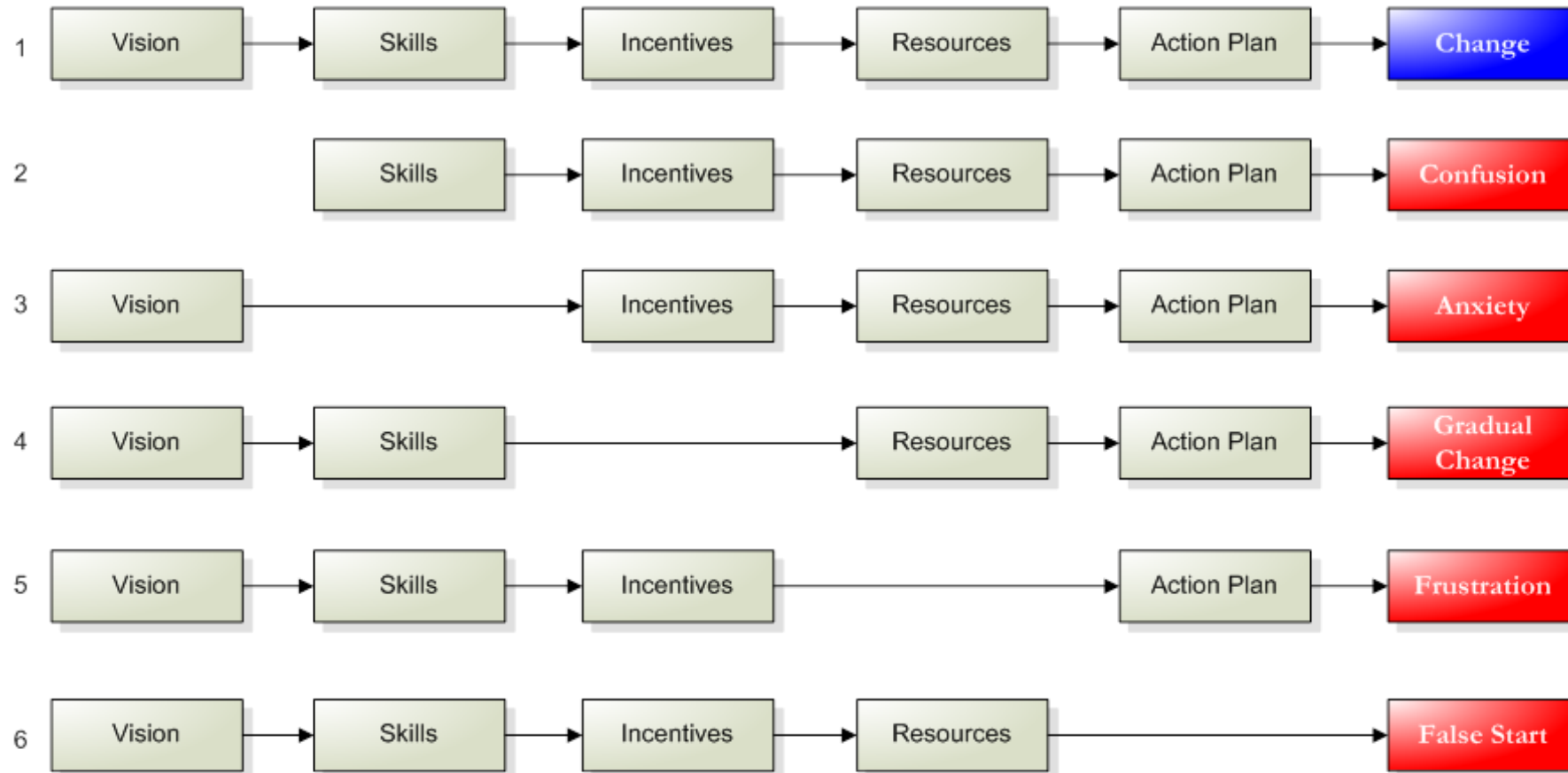


Cloud Implementations Are Different

Process Harmonization and Change Management are key



Process – The Right Sequence is Important



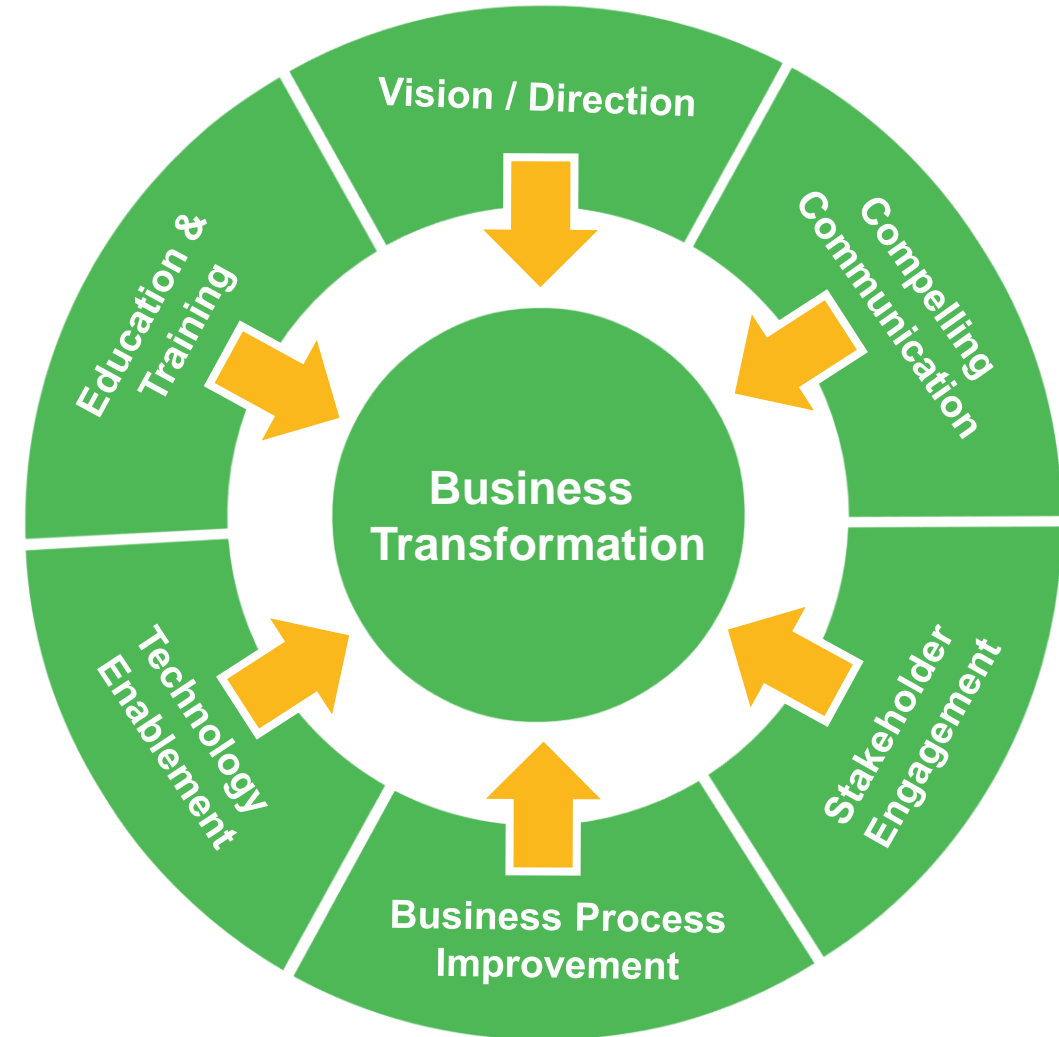
Source: "Managing Complex Change", Ambrose 1987

Change Management

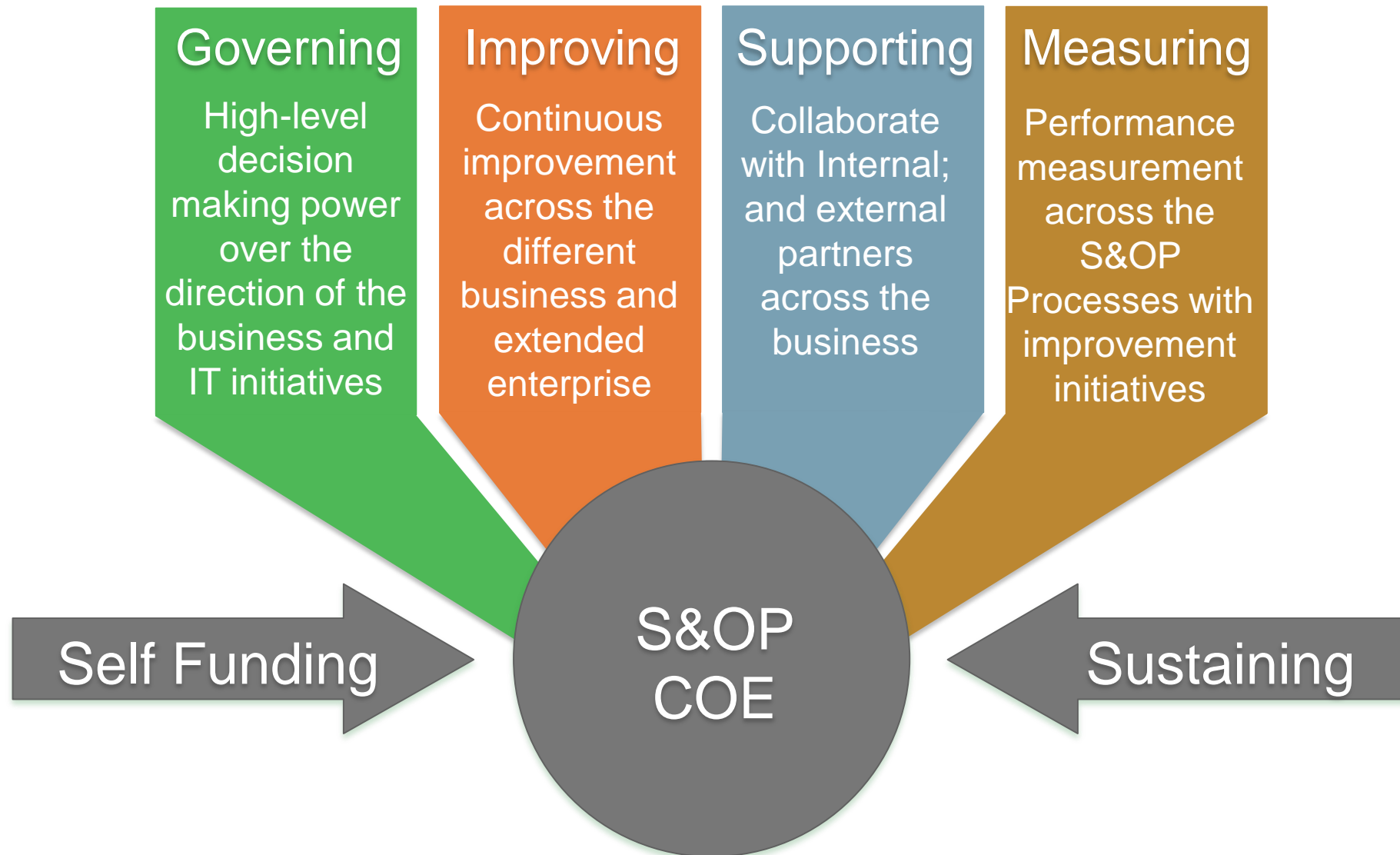
It's more than just system implementation.
It is about achieving **business transformation**
through successful adoption of simplified processes
and new capabilities

Organizational Change Management (OCM) Benefits

- Reduced negative impacts of change on the business (organizational structures, policies, business processes, and employees)
- Increased employee commitment to change
- Increased speed of adoption to new technology
- Reduced project risk (on time, on budget)
- Maximized business results, achieving the project ROI



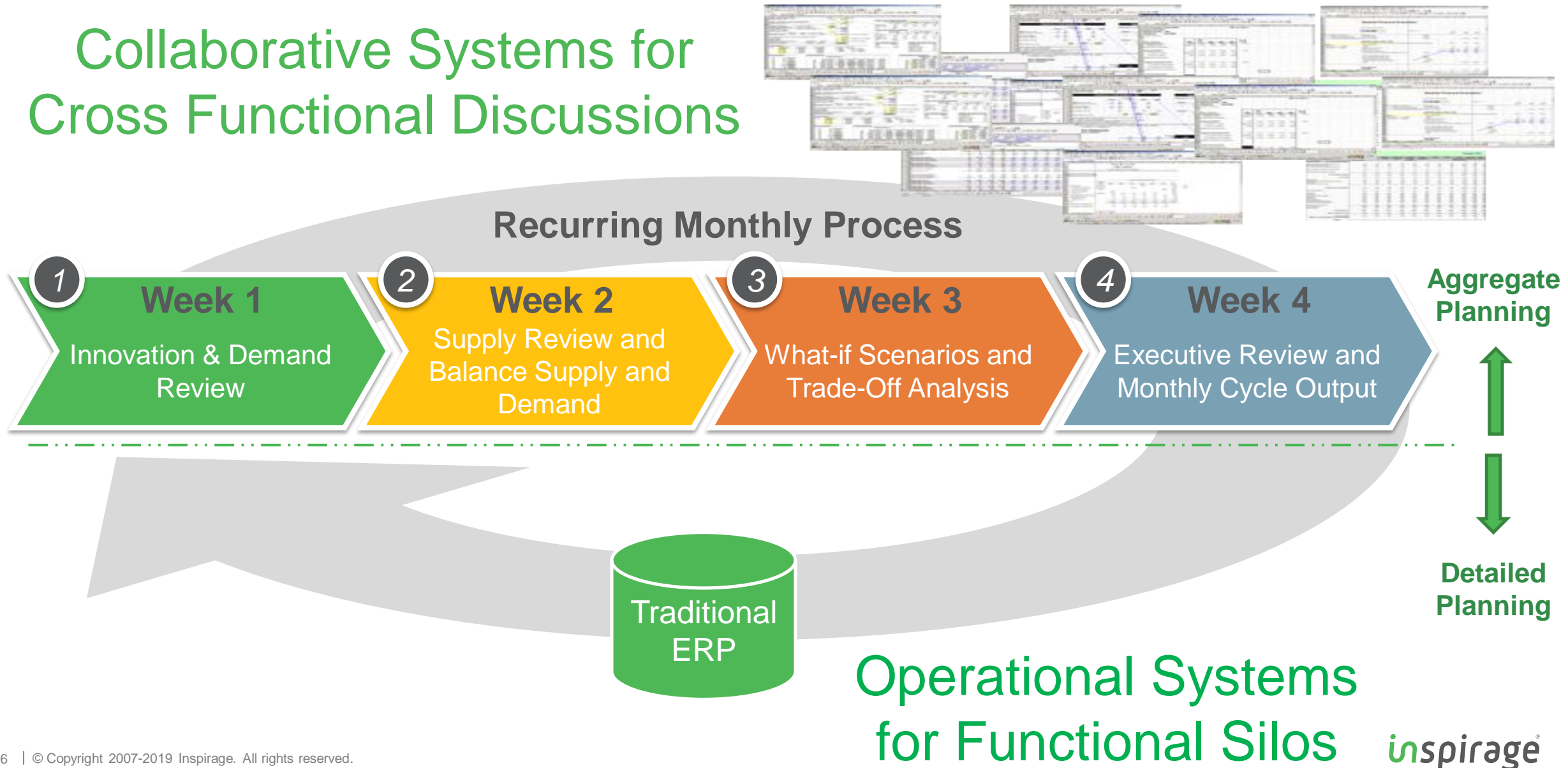
Establish a Center of Excellence



WHERE WE ARE HEADED & LESSONS LEARNED

Data is crucial

Collaborative Systems for Cross Functional Discussions



Recommendations & Next Steps

Recommendations

 *Develop vision and principles statement*

 *Implement a true cross functional team*

 *Data and reporting are critical*

 *Tie Units to \$*

Next Steps - Cloud

 *Move to Cloud – provide one single source of truth*

 *Integrated Business Planning simplification*

 *Reduce complexity and improve decision making*

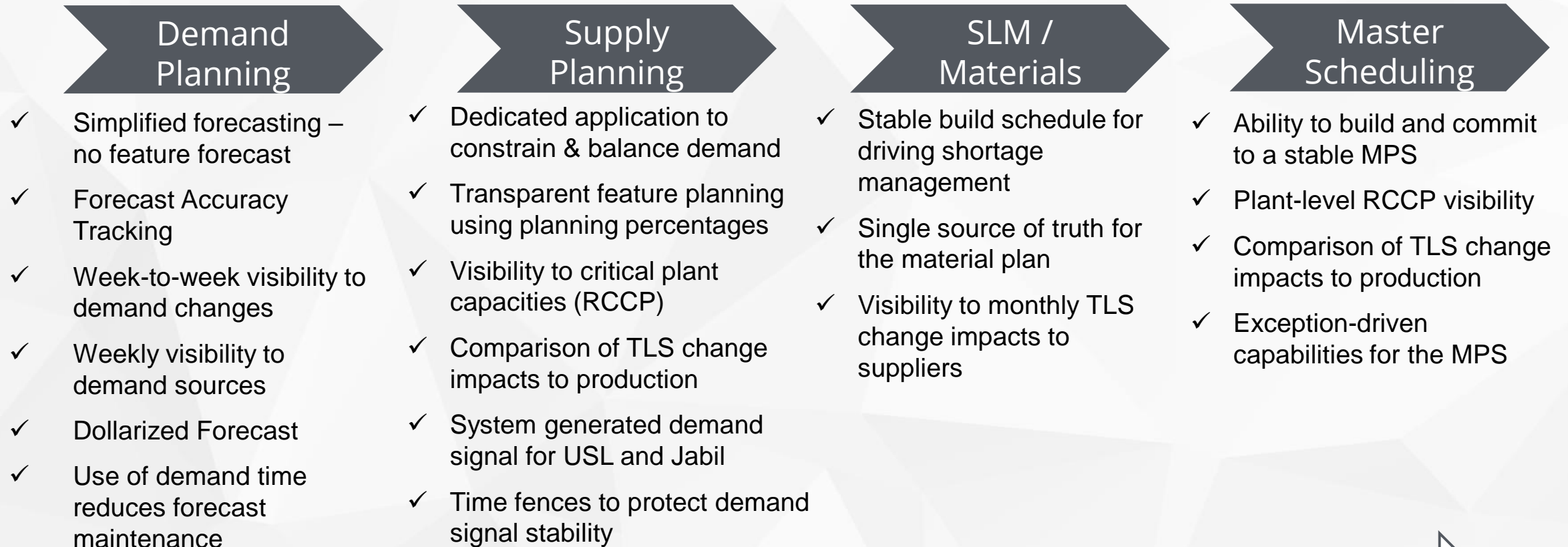
 *Leverage advanced features as process mature and new feature are enabled in cloud*

Thank You !



Planning Cloud Project Benefits

To the End-to-End Supply Chain Planning Process



Cleanly Integrated & Transparent Demand Signal

- Only one integration point
- Single demand signal driving supply actions