



Managing global demand at Fisher & Paykel Healthcare

“CDP comes up with solutions to problems. They’re a stable company that has delivered value over the long haul to Fisher & Paykel Healthcare Demand Planning, and they continue to deliver value.”

Gary Sawers

Demand Planning Manager, Fisher & Paykel Healthcare



Fisher & Paykel Healthcare has partnered with CDP for demand planning, providing its global supply chain with robust forecasts that drive the manufacture and warehousing of more than 2000 products over 20 locations.

Fisher & Paykel Healthcare’s demand planning team generate forecasts that direct the company’s production facilities in Mexico and New Zealand, as well as warehousing in 20 locations worldwide. Manufacturing and warehousing 2000 products across multiple sites and countries is complex, resulting in 11,000 individual forecasts. Demand Planning Manager Gary Sawers wasn’t happy with the existing forecasting system.



“We had a basic problem with visibility. We had no ability to see the global demand at a detailed level. Intervening in the forecasting process was not possible because there was no ability to look at the granularity of the data. Sales Office forecasts flowed directly through to Supply Planning. Demand changes were made at an extremely high level.”

Gary Sawers | Demand Planning Manager, Fisher & Paykel Healthcare

To overcome these challenges, Fisher & Paykel Healthcare’s supply chain team built an Excel solution with VBA backend linking to SQL databases. This gave the ability to drill up and down into data – but in the early days it would take eight hours to refresh. It also did not have ICT support.

+2000 products manufactured and warehoused over 20 locations



“It was so inefficient that we only produced monthly reports. It was also unstable. It took two or three hours to do a simple thing because of crashing.”

Changes had to be made manually at the lowest level, so the company would make changes only by exception, when something was very wrong. Data came from multiple sources and Sales forecasts changed constantly. Consolidation was difficult.

The workload required to review and maintain forecasts meant many product groups were neglected, especially spares and accessories. Excel just wasn’t cutting the mustard.

In parallel with a centralised ICT data warehouse solution, CDP loaded all the data into a TM1 application.



“The data is now in one spot. It’s stable, simple to get data out, and easy to review and process forecast changes.”

CDP used TM1 to build a sales planning module. Now the demand planning team uses the sales plan as a starting point for production planning.

The demand planning team generates a final demand plan – called the ‘consensus forecast’ – that goes to the production team, driving Fisher & Paykel Healthcare’s manufacturing and warehousing.

The name ‘consensus forecast’ indicates that the demand planning team has reviewed the sales plan, and adjusted where appropriate for new product releases, product phase outs, item mix issues and other market dynamics. When the sales team makes its own changes, the demand planning team see what has changed. The demand planning team get an opportunity to review and discuss these changes with the offices.

This has dramatically increased the control and visibility of demand planning. The company can drill down from top to bottom, from the highest level right down to each individual product, and make changes at any level. For example, moving a forecast due to a product launch delay used to be half a day’s work, says Gary Sawers.



“We need to interpret and challenge the forecasts. Now we just choose countries and products and press a button. It’s much more efficient and that enables us to do a lot more. My team can do the job I want them to do. We can now work on other projects – CDP is helping us with this.”

Gary Sawers | Demand Planning Manager, Fisher & Paykel Healthcare

Gary Sawers says he’s ‘very happy’ with the working relationship he has with CDP. Ongoing enhancements are made on a regular basis.



“We can see forecasts change in a timely manner. It’s easy to see where things have changed. I would recommend CDP. They deliver good value and have provided a robust, stable solution that works well.”

Summary

A new sales planning tool built by CDP lets Fisher & Paykel Healthcare’s demand planning team use the company’s sales plan to drive the demand plan. The demand planning team adjusts the sales plan for known market assumptions. The demand planning team generates a final demand plan – called the ‘consensus forecast’ – that drives Fisher & Paykel Healthcare’s manufacturing in New Zealand and Mexico, and warehousing in 20 locations globally.

Fisher & Paykel Healthcare has a much higher level of accuracy, control and visibility over its demand planning.

Business Benefits

- One location for data
- Easy to get data out
- Make changes at any level
- More effective demand planning

Key Outcomes

- More accurate forecasting over the complete product portfolio
- Control & visibility of demand planning
- Frequent, timely forecast revisions
- View of whole business
- Staff freed up for other strategic projects

About The Customer



Fisher & Paykel Healthcare Corporation Limited employs over 3,500 people based in 36 countries, serving 120 countries world-wide. The company designs and manufactures products for the invasive ventilation market, obstructive sleep apnoea, non-invasive ventilation, nasal high flow therapy and surgical humidification. It is estimated that 10 million patients are treated using Fisher & Paykel Healthcare products each year.



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Contact us if you would like to know more about how our analytics, planning and data integration solutions can drive insight for your business.

For more information please visit

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