

# AMANCO BRASIL

## USING SUPPLY CHAIN VISIBILITY TO BOOST MARKET SHARE

### QUICK FACTS

#### Industry

Mill products – building materials

#### Revenue

US\$340 million

#### Employees

1,600

#### Headquarters

Joinville, Brazil

#### Web Site

www.amanco.com.br

#### SAP® Solutions and Services

SAP® Event Management application, SAP Advanced Planning & Optimization component

#### Implementation Partner

Axia Consulting

PVC pipe and pipe fitting producer Amanco Brasil Ltda. wanted to increase sales, market share, and operational efficiency. To get there, it must track inventory across its supply chain and integrate its demand management, supply planning, and sales operations. By implementing collaborative demand and supply planning processes through SAP® software, Amanco has dramatically improved demand forecasting and on-time, accurate order delivery, while reducing inventory levels and operating cost.

#### Key Challenges

- Increase sales and cash flow
- Become market share leader for PVC pipes
- Improve customer service and build brand
- Achieve in-depth inventory visibility
- Integrate supply chain and sales operations
- Remove silos between planning teams
- Respond fast to competitors and customers
- Reduce stock outs and lower inventory level
- Improve accurate on-time order delivery

#### Implementation Best Practices

- Sponsorship of pertinent C-level executives including president and supply chain director
- Implementation of clearly scoped phases
- Definition and acceptance of supply chain requirements and business processes before implementation
- Development of a comprehensive, accurate prototype to mitigate risk

#### Financial and Strategic Benefits

- Achieved visibility throughout supply chain
- Reduced working capital, average inventory levels, and customer stock outs
- Improved “on time in full” order delivery
- Met 95% total sales planning accuracy
- Met 65% SKU-level sales planning accuracy
- Collaborated across functional departments
- Reduced reliance on spreadsheets
- Centralized data for enterprise availability
- Adjusted inventory to changes in demand
- Managed supply chain by exception
- Reacted to competitor challenges quickly

#### Why SAP Was Selected

- Enterprise software global leader
- Integration of SAP® Event Management application and SAP Advanced Planning & Optimization component with existing SAP ERP application
- Multiple languages and currency support
- Local and global partner support network

#### Low Total Cost of Ownership

- Implemented in only 4 months
- Reduced reliance on spreadsheets
- Enabled available-to-promise functionality of installed SAP ERP software
- Mitigated manual reconciliation and troubleshooting processes
- Achieved management by exception

#### Operational Benefits

Key Performance Indicator	Impact
Working capital	-17%
Total inventory	-15%
“On time in full” order fulfillment	+51%



“The sales and operations planning project was fundamental for the growth of the Amanco market share in the Brazilian market.”

Humberto Zalewski Dominoni, Supply Chain Director, Amanco Brasil Ltda.

[www.sap.com/contactsap](http://www.sap.com/contactsap)

## Making Sales and Market Share Growth More Than a Pipe Dream

Amanco Brasil Ltda. (Amanco) produces and sells polyvinyl chloride (PVC) pipes, tubes, and connectors for commercial and public infrastructure applications. The parts supplier is growing fast, aggressively increasing its sales and its share in the Brazilian market. To help fuel this growth, Amanco needed to improve customer service and build its brand. That meant fulfilling customer orders accurately and on time, while reducing inventory levels and operating cost.

Achieving these key objectives required Amanco to reengineer its entire supply chain and sales and operations planning processes. Key functional teams for operations, sales, and finances were isolated and disconnected, making collaboration difficult. Staff relied on manual, spreadsheet-based processes. The company lacked the agility to match inventory levels with demand, respond effectively to competitor pressures, and consistently deliver the right products on time.

## Building on Existing SAP® Software Infrastructure

Amanco sought to improve inventory tracking across its entire supply chain as well as improve its inventory and supply planning accuracy. It also needed a supply chain solution that was integrated with its core SAP® ERP application and supported by a global network of partners with a local presence. And because it had sister operations across

Latin America, any solution adopted by Amanco had to support multiple languages and currencies. That's why it implemented the SAP Event Management application and the SAP Advanced Planning & Optimization (SAP APO) component.

Before any software was installed, Amanco and its implementation partner, Axia Consulting (Axia), engaged in a thorough requirements analysis to define Amanco's improved supply chain. Informed by that analysis, Axia developed a comprehensive prototype to flesh out issues prior to full implementation. The project enjoyed the direct involvement of Amanco's key C-level executives including the president and supply chain director. As a result, it completed its implementation in only four months.

## A New Pipeline for Supply Chain Clarity

With new supply chain capabilities enabled by the software, Amanco now has comprehensive inventory visibility along its entire chain. With SAP APO, Amanco's forecasting and planning are dramatically improved, helping it achieve total sales planning accuracy of 95%. As the first Brazilian company to implement SAP Event Management, Amanco can track specific orders along the supply chain and receive alerts when something goes wrong. As a result, it has a shorter order management cycle and its “on time in full” order delivery rate has improved by 51%.

Amanco has also reduced its dependence on spreadsheets, while increasing the

company's ability to match supply to demand and to react quickly to competitors. Management of inventory-related issues is now largely by exception – and with full SAP ERP integration as well as data consolidation to a single source, collaborative demand and supply planning between departments is now a reality. Best of all, Amanco achieved all of this while reducing its total inventory by 15% and its required working capital by 17%.

## Exporting Success and Envisioning Future Cost Reduction

Amanco plans to roll out its supply chain transformation to its sister PVC companies throughout Latin America. Internally, the company is evaluating another integrated solution, the SAP Transportation Management application, to help reduce its growing logistics and fulfillment costs.

## Implementation Partner

Axia Consulting is dedicated to business transformation based on value chain concepts and delivered through a team of professionals with decades of supply chain management experience.



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