



CUSTOMER STORY

Höganäs

Improved forecasting strengthens sales

Challenges

Due to factors such as environmental regulation, economic strength and consumer preferences, demand varied greatly within each country. Höganäs was relying on local sales forecasts from its team of 50 global salespeople. Its sales forecasting system had been developed organically over time, merging components of Excel, Cognos and QlikView. The system did not support supply chain processes beyond sales and marketing, such as inventory planning. The system also required manual labor and guessing from the sales team which resulted in too much stock in the global supply chain and inadmissibly high forecast errors. The management team decided to migrate into a faster and more reliable system with a goal of decreasing inventory levels by 10%.

Industry

- Manufacturing - Metal Products

Solution

- Demand Forecasting & Planning
- Inventory Optimization

Results

- Reporting sped up by 50%
- Forecast errors halved
- Enhanced foundation for decision making (S&OP)

Company Overview

Höganäs is the world's leading producer of iron and metal powders. Together with its customers, Höganäs develops tomorrow's solutions for automotive components, brazing, electrical motors, additive manufacturing and water treatment.



We can now run interim monthly reports between the quarterly reports that provide very rich, useful data by region. Each person now leaves these meetings with a much clearer picture of what needs to be accomplished."

Ralf Carlström, Höganäs Sales Director

Day to Day

As they recently had the experience of implementing new ERP and CRM systems globally, Ralf Carlström, Höganäs Sales Director and his team had the advantage of starting with clean data.

After evaluating four options, mainly large vendors, Carlström chose Optilon who Höganäs already had a good experience with from the ERP implementation. Based on Höganäs' needs, Optilon recommended ToolsGroup's SO99+ software for demand forecasting. As several salespeople from different countries would contribute to the sales forecast, Optilon suggested complementing the software with the Demand Collaboration

Hub, also from ToolsGroup, an easy-to-use solution which makes contributing to the forecast possible for even inexperienced.

"Having had direct experience leading other global enterprise software implementations for Höganäs, this has been the smoothest one so far. It's really due to the fact that the software is very user friendly combined with clean data." comments Carlström.

The project which consisted of 85 countries. Höganäs asked Optilon to create a pilot to first test data from China and then go globally all at once.

"We went for a large global roll-out right from the outset rather than tackling it in small pieces. This was possible because the system was easy to learn and we didn't need to make local changes to it. Salespeople from all the different markets took part in the implementation so now they are bought into it and fully trained." says Carlström.

Results

The software has sped up reporting by 50% and halved forecast errors which has freed up time for the salespeople and improved the quality of their information. This has become very evident in the monthly Sales and Operations Planning (S&OP) meetings. Höganäs and Opton are currently rolling out the second phase of the project, which includes inventory optimization using ToolsGroup software and warehouse optimization.

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