CUSTOMER STORY

Mohawk

How can a company grow in a shrinking industry?

Challenges

The fine paper industry is unrecognizable from 20 years ago. The internet, globalization and changing customer demand have transformed it from being a traditional, high-volume and personal business to one where it is now possible for a customer to buy a single sheet of paper online. Naturally, these changes have resulted in market consolidation.

Mohawk's SVP of supply chain John Angleson harbored no illusions about the scale of the challenge: "The relationship between the manufacturer and distributor in the paper business has typically been characterized by various forms of manipulation, both positive and negative. We had to move all the players out of their comfort zones, into a data-driven, collaborative culture."

Industry

- Manufacturing

Solution

- Demand Forecasting & Planning
- Inventory Optimization
- Sales & Operations Planning

Results

- Customer-service levels increased from 85% to 93% in just six months
- Global inventory lowered by 25%, with 8% sales growth and a +40% improvement in inventory turns.

Company Overview

Mohawk is North America's largest privately-owned manufacturer of fine papers and envelopes. The Mohawk portfolio includes signature brands Mohawk Superfine®, Strathmore® and Crane Stationery. With a culture of innovation reaching back to its beginning in 1931, and a serious commitment to environmental responsibility, Mohawk is dedicated to providing materials that help make every printed project more beautiful, effective and memorable.

Solution

Mohawk's SO99+ deployment plays an essential role in Mohawk's ongoing transformation program. It supports collaborative goal-setting, negotiation and decision-making by giving all players in the extended supply chain a transparent, shared view of data that they can trust.Mohawk continues to fine-tune its existing S&OP process to optimize inventory, which is powered by ToolsGroup's SO99+. This defines inventory targets for each stock item at each location across the network and performs forecasting, service-level planning, and inventory mix optimization. It also handles requirements planning, resupply of regional (level two) DCs and passes manufacturing replenishment requirements to their production scheduling system.

Key to bringing Mohawk's extended supply chain into the transformation program was establishing a new data management team. This team provides specialist data hygiene, modeling and analytics skills to support the distributors, which aren't set up to bring this expertise in-house.

Mohawk succeeded in the monumentally difficult task of changing the culture of its extended supply chain. Fundamentally this was about ending the antagonistic 'us' vs 'them' mentality into one of working together to meet shared, mutually beneficial commercial goals. Crucially, Mohawk agreed to work with distributors to help them sell more paper. Over the course of the project, Mohawk's customer service-level metric was changed from "order lines shipped complete within 5 days" to "order lines complete and available at time of order".

Benefits

- Transformed to a supplier collaboration culture based on data, trust and shared objectives
- Higher profits enabled company to thrive in a declining market
- Customer-service levels increased from 85% to 93% in just six months with significantly fewer costly rush orders.
- Global inventory lowered by 25%, with 8% sales growth and a +40% improvement in inventory turns.

✛ About ToolsGroup

Please visit our website at **toolsgroup.com** to learn more about how we are helping leading brands worldwide to improve their supply chain planning. © 2019 ToolsGroup. All rights reserved.