

  
CUSTOMER STORY

# Pilkington Automotive

Improving Productivity and Network Visibility

## Challenges

Pilkington Automotive was faced with unpredictable demand, a growing number of SKUs and a diverse range of customers, each expecting very different service levels, pricing and lead-times. This drove them to embark on a journey to build a more competitive supply chain

## Industry

- Manufacturing

## Solution

- Demand Planning & Sensing
- Inventory Optimization
- Replenishment

## Results

- Top-level forecast accuracy consistently above 97%
- Supplier forecasts improved by ~10%
- OTiF (on-time, in-full delivery) improved by ~10%

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## Project & Objectives

We've all been there: a loose rock flies up out of nowhere and cracks the windshield. Every year this happens to roughly fifty of every 1000 car owners. These cracks, along with road accidents and criminal acts that also damage and break glass, occur randomly. For NSG Group's Automotive Glass Replacement (AGR) business - known in the UK as Pilkington Automotive Limited - this unpredictability can make forecasting in 14 European countries tough for the right

amounts of spare sidelights, door glass, windshields and other automotive glass.

Adding to the complexity, car models have been proliferating. As Simon Thomas, Supply Chain Manager, AGR Europe, explains: "Between 2003 and 2015 the number of Mini model body types grew from one iconic model to nine different versions. Similarly in this period, the number of BMW and Audi body types more than tripled. All this adds up to 61,500 SKUs and 95 locations, or 1.1 million SKU-Locations, 250,000 of which are active."

Pilkington Automotive caters to a diverse range of customers, each expecting very different service levels, pricing and lead-times. For the larger fitters and wholesalers that source from multiple suppliers, competitive volume-based pricing trumps fast delivery. By contrast, smaller fitters tend to carry little or no inventory and order very small quantities from a single supplier for next or same day delivery. Pilkington Automotive's third channel is installing replacement glass directly to car owners making insurance claims.

After years of operating in a reactive way, Pilkington Automotive decided to embark on a journey to build a more competitive supply chain. It sought to increase availability, forecast accuracy, inventory turns and visibility while freeing up working capital and improving process integration. Demand patterns would remain inherently chaotic, but more data would be available: number of cars on the road, the distances they drive, average road speeds, and expected road conditions based on weather forecasts and scheduled road construction.

Pilkington Automotive's ambitious goals called for overhauling its siloed processes and systems. According to Simon Thomas, "We chose to replace our legacy system with ToolsGroup's SO99+ software for its proven ability to take many different variables into account to improve forecast accuracy, make optimal tradeoffs depending on customer channel, and ultimately support S&OP."

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## Day to Day

Pilkington Automotive makes use of the entire SO99+ end-to-end platform. This includes:

- Six "super users" - demand planners who use the core SO99+ software on a daily basis, including for inventory optimization
- Thirty-five people across sales, marketing, commercial, finance, and external customers who input data and market intelligence into the Demand Collaboration Hub (DCH) to improve overall forecast accuracy in the S&OP process
- Fifteen people, including inventory controllers, suppliers and customers, who use the Supply Collaboration Hub (SCH) to optimize supply planning

ToolsGroup SO99+ passes orders and future manufacturing requirements into SAP's production planning modules (MRP/MPS). In the other direction, master data from SAP flows back into SO99+ to maintain planning parameters.

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## Results

Productivity and network visibility improvements enabled by SO99+ are helping planners become much more proactive and responsive. NSG can now run forecasts daily instead of monthly and demand collection reports daily instead of weekly. Demand and replenishment alerts help identify and prevent stock-outs from occurring. Using SO99+ to give full network visibility has also supported a move towards a central team for the majority of supply chain activities.

The following KPIs have improved over time:

- Forecast accuracy 65% with top-level consistently above 97% (based on MAPE)
- Supplier forecasts are more stable and improved by ~10%
- OTiF (on-time, in-full delivery) improved by ~10%

Pilkington Automotive is also making strong progress in S&OP integration, enabled by SO99+. As Simon Thomas explains: "For the first time, all participants in the supply chain have full network visibility and access to powerful reporting tools. This helps them to manage processes like analyzing and reallocating overstock."

In future stages of the project, Pilkington Automotive will roll out SO99 to North America and Brazil and expand its rollout of Supplier Collaboration Hub. It will also bring all its distribution centers and hubs into the S&OP process.

### + About ToolsGroup

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