

# Improved Forecasting of Products with Microorganisms

## BACKGROUND:



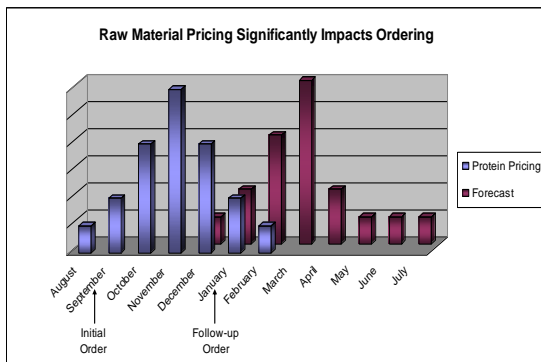
**Launched 2010:  
9 Formulas  
18 skus  
2 Year Shelf Life  
Seasonal Business –  
March to September  
FY11 Rework ~ \$300k**



## CURRENT CONDITION:

**Forecasting:  
4-month process  
Multiple hand-offs  
Most time spent waiting  
for information**

NO.	STEP DESCRIPTION	NOTES	Average Time	Wait Time	MANUAL				WAITING					
					June	July	Aug	Sept	Oct	Nov	Dec	Jan		
1	Demand Planning gathers previous year data and actual shipments to June	Use forecast for balance of year. No input from Sales.	4 hrs	2 wks	█									
2	Planning review with Demand Fulfillment	Usually back and forth process.	2 hrs	2 wks		█								
3	Planning adds % growth assumptions from finance and Executive Team	Expect in July but can be later.	1 hr	1 month			█							
4	Planning reconfirms with Fulfillment and initial forecast is set.	Waiting for final approval from Executive team	1 hr	2 months				█	█	█				
5	Forecast is approved. Product is ordered.													



**Protein commodity pricing peaks  
October – December**

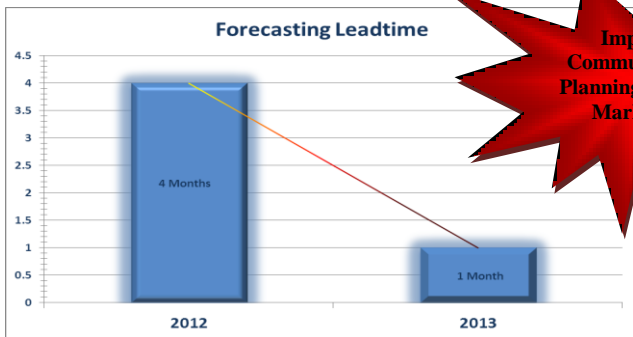
**Company placing order in early  
October when forecast complete  
and new fiscal year begins**

**Not capitalizing on low cost of  
raw materials during off-season**

## Problem Statement:

Due to the long lead-time in the forecasting process the company is unable to capture optimal raw material pricing. There is a need to shorten the lead-time and make early commitments to the suppliers so they can capture lowest possible commodity pricing during the off-season.

## Goals:



**Improve  
Communication  
Planning, Sales &  
Marketing**

**Reduce Inventory to 10%**



**Implement  
Standard  
Work**

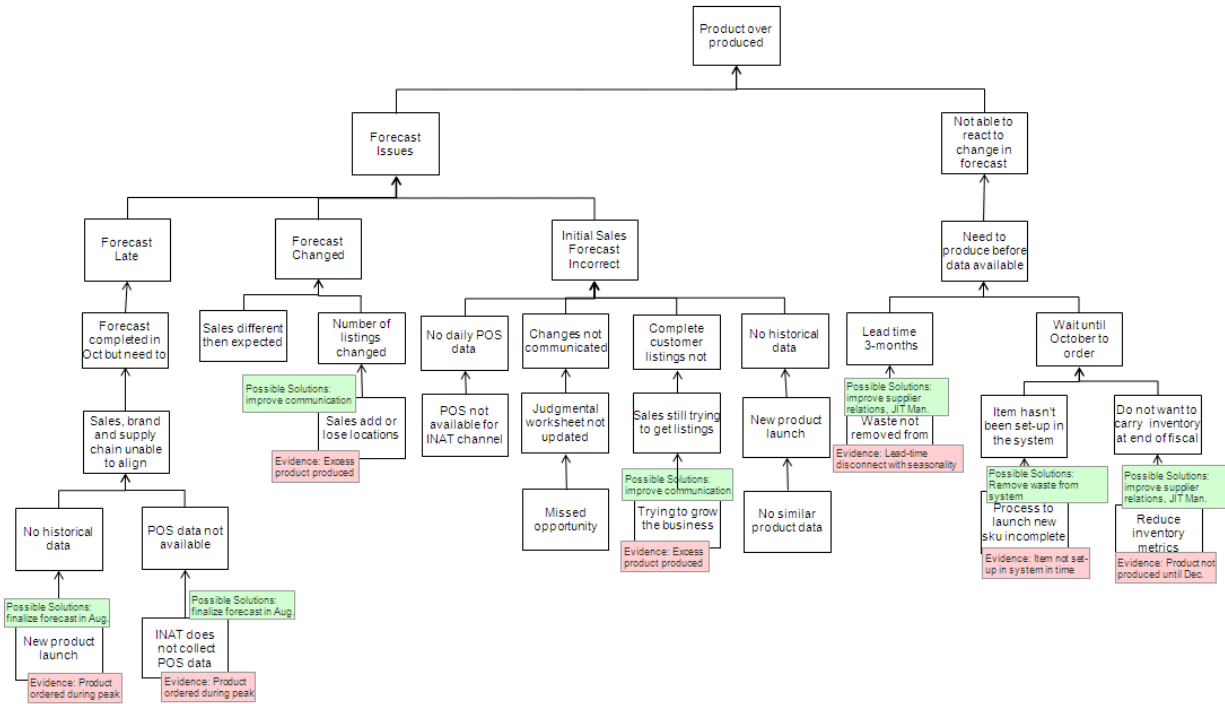
By: Rob Radabaugh

Coach: Gary Butler

Date: 11/30/12 Rev. 3

Team: J. Iovino, N. Rager, D. Miller, S. Murnen, J. Deuel, B. Bennington, C. Wills, R. Lamp

**ANALYSIS:**



**TARGET CONDITION:**

FORECAST TIME:	9 hrs	PROCESSING TIME	4.1 days	OBSERVATION TIME: June 2012					
FORECAST LEAD TIME:	4 wks	PRODUCTION LEAD TIME	2 months	MANUAL		WAITING			
NO.	STEP DESCRIPTION	NOTES	Average Time	Wait Time	June	July	Aug	Sept	Oct
1	Demand Planning gathers previous year data on actual shipments with input from Sales	Use forecast for balance of year. With input from Sales.	4 hrs	1 wk	█	█	█	█	█
2	Demand Planning and Demand Fulfillment conduct consensus meeting		2 hrs	1 wk	█	█	█	█	█
3	Planning adds % growth assumptions with input from finance, sales and marketing	All stakeholders must attend.	1 hr	1 wk	█	█	█	█	█
4	Consensus meeting held with planning, sales, marketing and finance to finalize forecast.		2 hrs	1 wk	█	█	█	█	█
5	Forecast is approved. Product is ordered.		1 hr	1 month	█	█	█	█	█
6	Production occurs at Sanctuary / product ships to Dysart		2 days	2 wks	█	█	█	█	█
7	Dysart packages material and ships to distribution		2 days	2 wks	█	█	█	█	█

**PLAN:**

Task Name	Duration	Resource Names	Start	Finish	Qtr 2	Qtr 3
✓ Capture Current Process Conditions	2 wks	R. Radabaugh, Team	Thu 4/12/12	Wed 4/25/12	█	█
✓ Analyze Current Conditions	3 wks	N. Rager	Thu 4/26/12	Wed 5/16/12	█	█
✓ Kaizen Workshop - Std Work - Forecasting	3 wks	R. Radabaugh, Team	Thu 5/17/12	Wed 6/6/12	█	█
✓ Begin Forecasting Process	4 wks	Planning, Sales	Thu 6/7/12	Wed 7/4/12	█	█
✓ Product Ordered	1 day	Planning	Thu 7/5/12	Thu 7/5/12	█	█
█ Production Begins	4 wks	L. Conley	Wed 8/1/12	Tue 8/28/12	█	█

