

Nature's Way® Boosts Supply Chain Performance with Easy, Affordable Tools

Company

Nature's Way ®

Industry

Consumer Products

Products

Wellness

HQ

Green Bay, Wisconsin

Website

www.naturesway.com

Managing Growth with SAP

Nature's Way has been America's leader in herbal medicine for over 40 years, offering coconut oil, herbs, probiotics, vitamins and minerals. In 2013, the organization doubled in size after acquiring another company, creating the need for an enterprise system to manage its supply chain operations.

Having previous experience with SAP ERP, Materials Director Jean Trembl was confident in the scalability of SAP, but knew additional functionality and usability were needed to hit aggressive targets. After consulting with their German operations, Trembl decided GIB's Supply Chain Suite was the perfect answer to deliver the required productivity and efficiency boosts to handle increased workloads.

Challenges

Lower inventory levels without compromising service levels

Enable company growth without increasing workforce or resource utilization

Meet aggressive increased production targets

Unlocking Supply Chain Efficiencies

Nature's Way kickstarted their implementation in 2013 with GIB's Planning and Operations modules. Both modules made an immediate, positive impact on the production team by optimizing production order sequencing - thereby enabling longer production runs, fewer line changes, more efficient resource utilization, and an overall dramatic reduction in production costs.

Nature's Way® Boosts Supply Chain Performance with Easy, Affordable Tools *(cont.)*

Chosen Solutions

- SAP ECC 6.0
- GIB Suite:
 - Planning module
 - Operations module
 - Controlling module

Outcomes and Benefits

- *Inventory reduction of \$2.7M within 7 months, while maintaining service levels*
- *Increased manufacturing throughput*
- *More efficient resource utilization*
- *Less change overs, retooling and down-time*
- *Increased inventory turns*
- *Data-driven decisions in real time*
- *Easy user adoption with rapid time-to-value*
- *Project delivered on budget and on time*

The purchasing team also utilized the Operations module to increase the company's buying efficiency and effectiveness by uncovering opportunities to buy in bulk or combine existing materials, ensuring the lowest material costs while reducing staff time, effort and errors.

“The ability to manage double the number of SKU's or item numbers without increasing our supply chain team, along with improved production efficiencies gave us the confidence and quantifiable results needed to move forward with the implementation in other phases of our supply chain process.”

- Jean Trembl, Materials Director

In 2015, the company turned to GIB's Controlling (DCC) module to increase inventory turns using GIB's robust, supportive tools for advanced planning simulations. With real-time visibility of stocking strategies, service level targets, and safety stock levels, data-driven decisions were easily facilitated

The use of service level target simulations helped Nature's Way to optimize safety stock, and key figures management supported accurate evaluation of “dead” and “slow moving” stock. In addition, the graphical Range of Coverage Matrix helped Nature's Way evaluate lot sizing techniques. “Our Controlling module implementation opened the door to many welcome changes to our strategic inventory approach,” said Trembl. “We quickly shifted from reactionary activities to far more proactive, strategic activities. GIB DCC allowed us to reduce overall inventory by \$2.7M within the first 7 months, while maintaining service levels.”

Thanks to the implementation of GIB, Nature's Way is positioned to run optimized and handle even more growth in the coming years without incurring the significant costs commonly associated with a fast-growing business.