


NETSTOCK

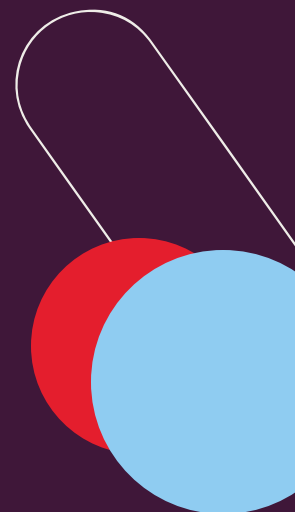


Accelerate demand and supply planning with Netstock.



**Create a
balanced and
agile integrated
plan for your
business.**

Integrated Business Planning (IBP) software can accelerate business performance by breaking down siloed working practices and aligning sales, operations, and finance. With increased visibility, speed, and depth of planning, Netstock gives your business a competitive edge in today's volatile market.



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1. Introduction

Integrated Business Planning

Let's take a look...

Integrated Business Planning (IBP) streamlines business planning by aligning departments, breaking down silos, and providing visibility and access to a central plan. Using consistent data ensures decisions align with overall business goals and financial objectives. Despite the potential benefits, many businesses struggle to implement an effective integrated planning process.

2. The benefits of an IBP process



Greater alignment: aligns finance, marketing, and sales to ensure they all “speak” the same language and funnel activities into one strategy.



Improved visibility: promotes transparency across your business where decision-makers can agree on one plan and understand their role in driving the process.



Promotes agility: business planning is not static. IBP enables both strategic short and long-term planning that can quickly adapt and measure the impact of market changes.



Better decision-making: by aligning operational strategies and encouraging collaboration amongst departments, teams learn to trust each other, which leads to better decision-making that supports the business goals.



Increased accountability: identifies a clear set of roles and responsibilities across teams and functions.



Better preparation and anticipation: enables teams to rapidly respond and adapt demand planning in line with market changes and continue to improve customer service delivery.

According to a study conducted by **McKinsey & Company**, adopting an established IBP process in your business can reduce the impact of supply chain disruptions or **black swan events**. Businesses with IBP processes experienced higher service levels, lower freight costs, and reduced lost sales. Investing in IBP technology enabled planners to be 20% more productive.

Basic framework to improve performance

- **You need people** committed to planning and working as a team led by executive leadership.
- **A defined process** including consistent and productive monthly demand and supply reviews and executive consensus meetings.
- **An inventory and supply planning solution** that provides the visibility, scale, and simulation capabilities to unify demand, operations, finance, inventory, and capacity in a single, highly visible framework.

3. Connecting your business with an IBP supply chain planning solution

To outplan uncertainty or be ready for the next disruptive event, you need the agility to react sooner and faster. If not, you're putting your supply chain and business at risk.

It's time to ditch the spreadsheets!

Many businesses are still developing financial and supply plans with spreadsheets. While spreadsheets will always play a role in business, sadly they can't support an agile and integrated planning process.

Spreadsheets are static siloed plans that don't allow for sharing and synchronizing of data in real-time to improve visibility and enable quicker decision-making.

Limitations of spreadsheets



Limited collaboration: data errors occur when multiple people add or edit data on the same spreadsheet.



Prone to error: mistakes can be expensive. Misaligned rows and missed negative amounts can cause considerable loss to your bottom line. Costly mistakes resulting from the incorrect use of tools won't give your stakeholders faith in your business operations.



Lack of security: the increased cyber-attacks can put your company and your customers' information at risk, resulting in reputational damage, lost sales, and customers.



Never up-to-date: data is extracted from multiple systems, which needs to be done simultaneously so that the data is consistent and usable. Up-to-date information is not achievable on a spreadsheet, and you will always be one step behind. It also takes time to compile and coordinate the data, which results in costly delays.



Static: spreadsheets can't enable agility, adjusting inputs to speed to market in response to disruptions.



Non-compliant: Depending on your industry, various regulatory compliance issues exist. Since spreadsheet data is susceptible to fraud and errors, how will this pass as an accurate way to store sensitive data?

Investing in the right planning solution

As supply chain disruptions continue, businesses are focusing more on their cash flow and margins across operations, adding pressure on supply chain planning to reduce waste, unlock operating cash and manage working capital more effectively.

**With Netstock,
your business
can:**

- **Optimize processes** by aligning sales, operations, logistics, and finance
- **Accommodate** each function's different requirements
- **Eliminate** manual processes
- **Increase visibility** to balance inventory and maintain service delivery levels
- **Streamline procurement** and distribution processes
- **Deliver large-scale improvements** in forecast accuracy, enterprise coordination, customer service levels, inventory turnover, and capacity utilization
- **Adapt and configure** around changing business and environmental disruptions, such as radically changed channels or alternative sources of supply



4. Enterprises who invested in Netstock

#1 DaySpring

DaySpring reduced inventory levels by 65% and maintained over 98% fill rate.

Industry: Distribution

Location: USA

\\ Their challenge:

DaySpring was still managing inventory off complex spreadsheets.

\\ The result:

With the help of Netstock IBP, DaySpring reduced its boxed cards product line inventory from about 2 million items to 700,000.

DaySpring, Cards, Inc., owned by Hallmark, is the largest global provider of Christian greeting cards, stationery, gifts, and related items. The company has a broad product line and a large customer base consisting of drug and grocery chains, card shops, religious stores, and direct sales.

Managing forecasts for over 300,000 product-customer combinations, including about 7,000 active products, DaySpring managed massive Excel spreadsheets for various product groups and functions, including separate but coordinated sales, operations, and finance plans.

Trying to scale their operations was becoming increasingly complex and time-consuming while working off spreadsheets and aligning spreadsheets used by various departments.

A two-year rollout was necessary

DaySpring decided on a phased rollout plan starting with:

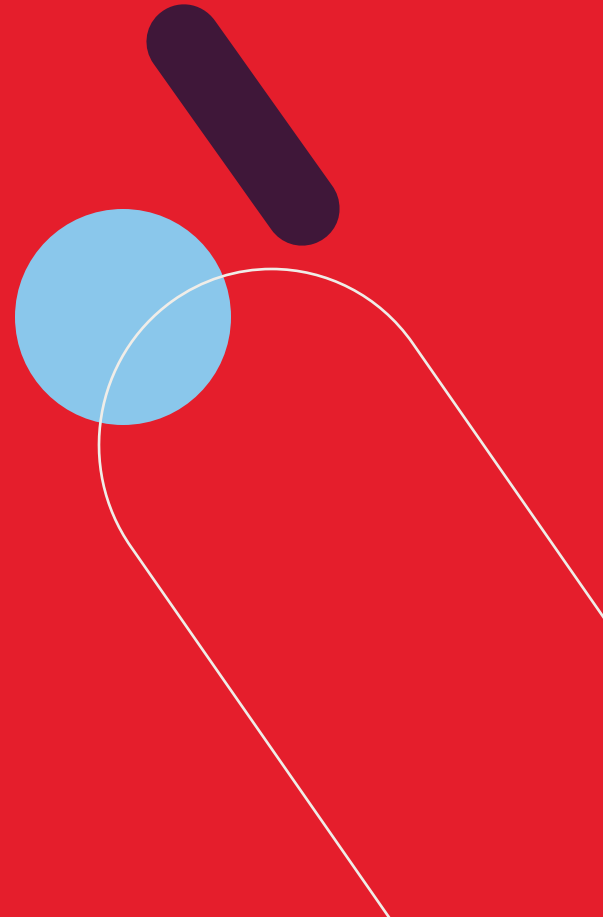
1. boxed cards product line and then
2. counter cards, gifts, stationery, and mixed merchandise, including the Mary Martha line of direct sales products.



Netstock provided training and integration assistance with the initial boxed cards implementation. After the implementation of DaySpring, planning and IT personnel rolled out the remaining businesses with limited support needed from Netstock. The phased rollout was completed by the end of the second year, encompassing global plans for the remaining DaySpring product families.

Streamlined forecasting processes

Besides achieving significant financial benefits, DaySpring could also streamline its forecasting operations. Only two full-time planners are needed now to manage the 300,000 product customer forecasts.



We selected Netstock because it had a highly scalable architecture, and it also had the capabilities that we needed for sales forecasting, inventory optimization, and S&OP ...very few other solutions supported the full range of planning functionality, and we were impressed by the usability. Many solutions say they do certain functions, but they often do it in a way that's hard or even impossible to use. Netstock did things in ways that we thought would best support our lean, high-volume processes.

Jeff Nichols, Director of Analytics, DaySpring

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#2 Shimano

Shimano North America Bicycle Inc. improves production and replenishment of 60,000 items & successfully responds to customer demand.

Industry: Manufacturing

Location: USA ERP: NetSuite Oracle

Their challenge:

No visibility to optimize production, replenishment, and respond to changing demand.

The result:

Improved inventory visibility and forecasting capabilities across all distribution channels.

Established in 1961, Shimano North America (Shimano) grew from a modest office with three people to multiple distribution centers and sales and marketing offices. Today in North America, Shimano's presence has grown to Shimano North America Bicycle Inc, Shimano North America Fishing Inc., G. Loomis, ITI, and Pearl Izumi. Shimano's North American bicycle business manufactures and distributes thousands of high-end cycling components and accessories using various channels.

The selection process

Shimano formed a selection team of technical and functional members to research and analyze alternative solutions. The team selected Netstock IBP, cloud-based supply chain planning software that:

- Offers a full range of forecasting, inventory optimization, and financial and operational planning capabilities.
- Can scale to support the large number of items offered by Shimano.
- A multi-level planning technology enables attribute-based planning and product, geographic, and channel dimensions.

Better supply chain planning increased responsiveness in Amazon's marketplace



[Netstock] helped us to respond with precision to the growing importance of Amazon's marketplace. We were able to make improvements in the way we planned for that channel in the first week. We were amazed at the flexibility and depth of the analysis that we were able to perform. We can easily select the customers that we want to forecast individually. Previously, these types of changes would have required IT prioritization and took much longer to complete. Now, we can add new key customers or channels in no time flat, experiment with alternative hierarchies and roll-ups, and formulate new insights, all without consuming valuable IT resources.

Rick Barrosa, Sr. Manager of Supply Chain, Shimano

Improved forecasting capability

Netstock's attribute-based planning has also helped Shimano to categorize product lifecycles with multiple dimensions, while their ERP system only had a single field for this purpose. The additional attributes have made it much easier for them to plan for:

- New product introductions,
- extensions, and
- improvements.

Not only has it improved forecast accuracy, but they have been able to leverage the additional product information to prioritize inventory levels, placement, and production timing.

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#3 S-One Holdings

S-One Holdings Corporation achieves inventory visibility of over 8,000 unique items across 42 warehouses.

Industry: Distribution

Location: USA

ERP: NetSuite

\\ Their challenge:

Managing growing inventory levels across 42 locations.

\\ The result:

With increased visibility, S-One maintained inventory turnover and good service levels.

S-One started in 1994 with just five team members, and today they employ over 150 people in five district business units and operate in 22 countries worldwide. As a distributor of specialty paper and printing supplies, S-One provides a wide range of products globally, planning thousands of items in 42 global stocking locations.

S-One's unique challenges

A major challenge was managing the sheer volume of inventory items in all its locations. Due to the dimensional nature of many of its items, S-One had over 8,000 unique items. Optimizing inventory for that many items across 42 global locations was a significant challenge.

Experiencing rapid business growth, the number of items and stock-keeping locations increased exponentially, and S-One looked for world-class forecasting and sales & operations planning solutions. As the number of SKU locations increased, it was becoming increasingly difficult for their materials managers to ensure optimal

inventory levels. S-One had millions of dollars invested in inventory, and had to ensure they continued to grow with ongoing high levels of service and inventory turnover.

Increase in greater visibility and forecast accuracy

S-One forecasts demand weekly and plans replenishment through a multi-tiered supply network. Product demand can be highly variable, and orders and transfers are executed daily. It's a dynamic planning environment, and purchase orders and transfers are uploaded to NetSuite daily.

"Forecast accuracy has improved since we implemented Netstock. I feel much more confident that we have the right materials in the right places and at the right time. Netstock IBP hasn't just improved our inventory planning. It's also given me great visibility. As I've become more familiar with the system, I've been pleased to see how easy it is to quickly summarize demand, purchases, and inventories by warehouse, supplier, or customer."



A key requirement was the ability to handle complexity. We have an unusually complex supply chain, with transfers between different subsidiaries, countries, and within a single subsidiary. In NetSuite, transactions within or between companies need to be handled differently. Netstock listened carefully to these and other requirements, and their team was engaged and totally committed to our success.

Brandon Mankovich, Director of Materials Management, S-One

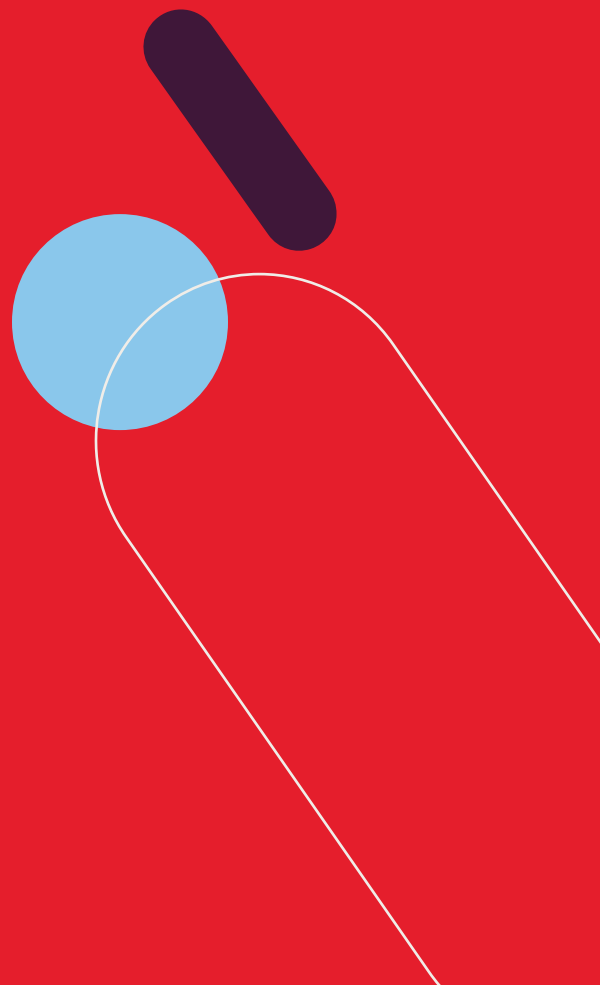
Why S-One selected Netstock:

1. Impressive track record with many other global manufacturers and distributors.
2. The willingness to listen to S-One's unique requirements.

"We met with Netstock at NetSuite's annual SuiteWorld conference. They were a mature and capable business, but we were a little concerned since their relationship with NetSuite was relatively new. However, it was obvious to us that we weren't going to be just another number. The Netstock team took time to understand our company and our needs, and it didn't hurt that their president had previously worked in the paper business."

Jason Metnick, EVP of Global Operations, S-One.

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#4 Starkey

Starkey reduced their inventory levels by 20% and increased the fill rate by 2% within three months.

Industry: Distribution

Location: USA

ERP: NetSuite

Their challenge:

To improve fill rate, reduce inventory, and streamline procurement and distribution processes.

The result:

Reduced inventory levels by 20% and increased fill rate by 2%.

Starkey is a privately held, global hearing technology company headquartered in Minnesota. Founded in 1967, Starkey conducts business in more than 100 markets worldwide.

Starkey decided to implement sales and operations planning software (S&OP) just before the start of the COVID-19 pandemic. They couldn't have known the pandemic's impact on the economy nor how it would shake consumer demand only two years later. They were still committed to improving customer fill rates and inventory turnover without knowing the looming challenges.

Selecting Netstock

Starkey had a new materials management team, and key team members had previous experience with Netstock IBP. After briefly reviewing alternatives, they integrated Netstock IBP with their Oracle ERP system.

"We considered several other options, but none of them seemed to offer the value and flexibility of the Netstock solution." – **Patricio Espinosa, Starkey's VP of Manufacturing and Supply Chain, Starkey**

The initial implementation

Starkey's main goals for the project were to:

- Improve fulfillment rates
- Reduce inventories
- Streamline procurement and distribution processes.

The main priority was to improve fulfillment rates.

The team started working on the following:

- weekly statistical forecasts
- optimizing safety stock, and
- replenishment planning for their 50,000 finished goods.



The visual nature of Netstock made it easy to explain and communicate demand and inventory management policies and concepts to the entire organization.

Mike McMullen, Director of Global Materials & Inventory, Starkey

With the enhanced visibility from Netstock, Starkey reduced their inventory and balanced opportunities within weeks. In a parallel effort, the team improved:

- Demand signal communications with production, replacing manually prepared weekly inventory and order summaries with time-phased schedules based on seasonal demand plans, current inventories, and orders.
- Communications, forecasting, and inventory level-setting resulted in a significant improvement in fill rate and inventory turns.

The master production schedule (MPS) attainment increased by over 97% across all production areas, where previously, there had been significant variation in production attainment, with some low-performing areas.

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Since implementing Netstock, Starkey has been able to:

1. Improve distribution and production plans

The team gave read-only access to several key stakeholders at Starkey, and they could use it with minimal training. As a result, we could improve the coordination of distribution requirements and production plans while eliminating the time previously wasted by preparing and distributing spreadsheets.

2. Reduce production delays

Next, Starkey's management integrated the Netstock master production schedule with Oracle's MRP, using it to drive material requirements which resulted in significant improvements to:

- raw material
- inventory turnover
- fulfillment
- schedule attainment

"The improvements in raw material inventory management resulted in fewer production delays and further improvements in production attainment and customer order fulfillment." – **Mike McMullen, Director of Global Materials & Inventory, Starkey**

3. Implement a supplier portal

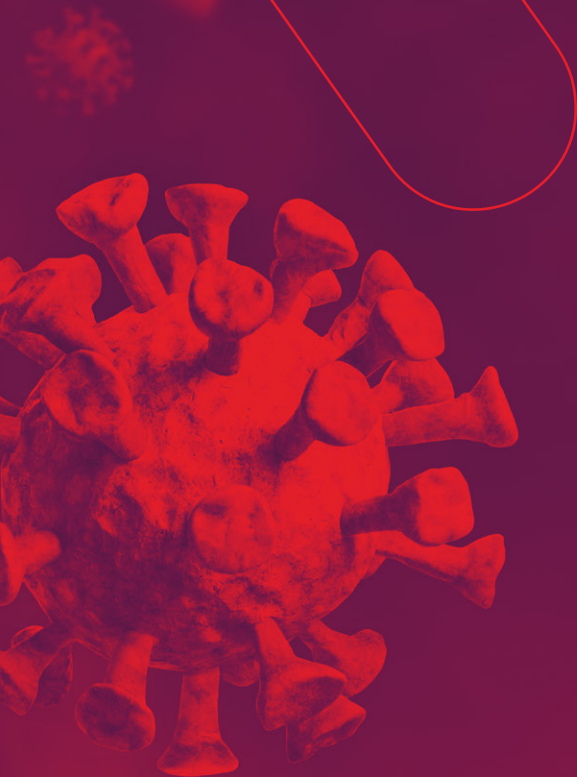
The portal provides visibility to time-phased weekly purchased material requirements. The portal includes over 60,000 items with forward-looking plans spanning two years of history and one year of weekly forecasts. Key vendors were allowed access, and vendors received automated summary reports.

4. Improve internal collaboration between sales and marketing

Starkey successfully implemented the following:

- A monthly S&OP model for reviews and input from sales and marketing plans by region and segment.
- A formalized demand review process.
- A monthly report of forecast variability and bias.
- The S&OP model globally, receiving monthly forecast input from users in 12 countries worldwide.

This model has been instrumental in formalizing new monthly demand review processes and has helped sharpen their ability to plan for promotions, product cannibalizations, trends, and exceptions.



Success beyond the pandemic...

When the global COVID-19 crisis hit in 2020, it caused significant changes in both demand and supply.

“The planning systems changes we made with Netstock and integrating with Oracle have enabled the business to be super flexible during these turbulent times. I can’t imagine the pandemic hitting us before when all planning was offline and disconnected. We’ve been able to completely re-plan our entire supply chain so quickly, and our incoming supply chain and inventories were well-positioned going into it, helping us to stay strong!”

5. Essential features of an IBP supply chain solution

Demand planning and forecasting:

- Forecast performance monitoring and reporting.
- Forecasting for flexible aggregation and disaggregation along any combination of product, channel, and geographic attributes.
- Advanced machine learning functionality for new products, promotions, and events.

Inventory optimization:

- Time-phased production and procurement planning.
- Aged inventory lot tracking.
- Order batching and other advanced capabilities.
- Optimization of buffer inventories.

S&OP & capacity planning:

- Level loading to optimize capacity utilization with seasonal or irregular demand and/or supply.
- Scenario-based alignment of sales, production, procurement, and financial plans.
- Flexible dashboards and reporting.
- Alignment of strategic and tactical plans.

4 Tips when implementing an IBP solution for your supply chain:

There must be buy-in from the executive teams and middle management within the business. The IBP solution will provide the tools that enable a healthy business process, but the business needs to be committed and aligned. Without ongoing effort and communication throughout the business, software adoption becomes a challenge and businesses can fail to experience the real ROI that should be otherwise achievable.

Understand your business maturity, as there is no 'one size fits all' approach to IBP. Start simple, then improve.

Appropriate "views" of aligned data are the keystone of an effective integrated business plan.

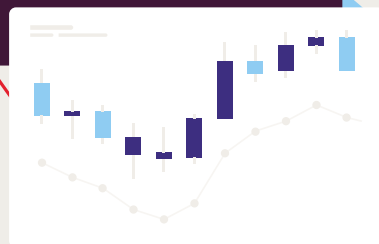
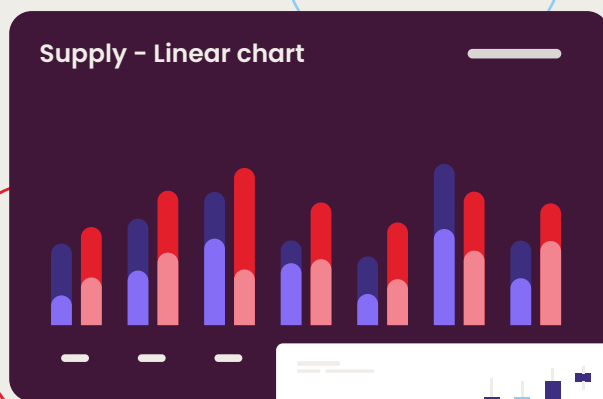
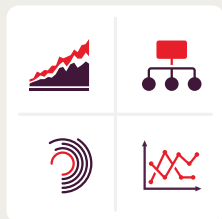
Demand drives the business, not supply. Demand plans improve with sales, marketing, and external market intelligence. Good statistical forecasting is essential, but it's not enough.



Is your business ready for IBP?



Over the course of one year, we reduced lead times on key products by over 50%, improved forecast accuracy, reduced inventory by 16%, and kept customer on-time delivery at previously high levels.
Supply Chain Director, Steris Corporation



A mature and functionally complete solution for S&OP

Netstock provides cloud-based demand and supply planning solutions that deliver large-scale improvements in forecast accuracy, enterprise coordination, inventory, and capacity optimization. Available in six languages, Netstock's IBP solution centers around proprietary analytic technologies like **Pivot Forecasting®** and Pivot Planning®.

Scalable, yet flexible

- You can model your supply chain regardless of its scale, size and complexity
- Support for a large volume of items, customers, locations, and users

A quicker road to ROI

- Engineered for rapid deployability
- Easily integrated and automated



**Save time, money
and resources.**

**Netstock delivers unrivaled
functionality, agility,
and scale to accelerate
your business.**

Get Started

About Netstock

Netstock is a leader in inventory management and has earned the trust of over 2,200 global customers. Integrating into leading ERP platforms, Netstock empowers small-to-medium businesses to place orders quicker, reduce stock-outs, minimize excess inventory and optimize capacity planning. Delivering immediate ROI, Netstock provides customers with the visibility to free up working capital, adapt to changes, and deliver outstanding customer service.

For more information, visit www.netstock.com.