

Leading Sock and Legwear Designer and Manufacturer Improves S&OP Strategy Program

Sock and legwear manufacturer reduces inventory costs and significantly improves service levels



THE COMPANY

Founded in 1921, the client is a leading designer, manufacturer and marketer of quality socks and legwear products with the knowledge and expertise to be recognized as the sock and legwear expert of its industry. With facilities across the United States, Canada, Europe and Asia, the manufacturer works with global leading brands spanning the essentials, athletics, fashion, outdoors, wellness and work categories.

THE OPPORTUNITY

As the manufacturer grew, it began to experience challenges that impacted service levels to key retailers, including convoluted SKU definitions that created complexity in forecasting and supply planning, lack of data accuracy, limited production metrics and lack of a domestic capacity planning model and demand planning tools. The client partnered with enVista to create a more mature sales & operations planning (S&OP) process and improve inventory management and demand planning to better serve its customers.





ENVISTA'S SOLUTION

enVista's team began initiating a new S&OP program that would optimize supply, demand and capacity planning. The team first developed a multi-node inventory strategy model, which included defining key inventory segments and families based on category, seasonality, safety stock levels and cycle stocks.

In addition to creating a new S&OP program, enVista provided best practice recommendations to the manufacturer's team for supply and demand planning, including supply, demand and capacity planning tools and integrated business planning. Once the S&OP program was completed, enVista's team developed supply and demand planning templates to help the client's team manage the program.

In addition to providing a new S&OP program and best practices for the client to leverage moving forward, enVista's team continued its partnership to develop a change management and communication plan. This plan included training and technical coaching and leadership through three S&OP pilot cycles.





THE RESULTS

Each of the three S&OP pilot cycles identified immediate potential service issues, enabling proactive resolution of each issue. By defining and measuring both internal and external key performance indicators and presenting them to the executive S&OP team, the manufacturer was able to better define success within its operations.

The development of a multi-node inventory strategy model including segmentation by category, safety stock levels

and cycle stocks, reduced inventory by 5-10 percent along with a reduction in slow-moving inventory. The team also expects to see a 33 percent reduction in lost sales.

enVista's database tool, designed to automate data gathering and template development, increased data accuracy and visibility throughout the client's operations, who saw a significant increase in cross-functional communication resulting from enVista's change management and communication plans.

