

## What if you could...

...increase your sales forecast accuracy by 40% and establish a new culture of accountability?

**With Proudfoot, you can.**

**AS A STRATEGIC PRIORITY**, the CEO of a global equipment and services provider for the energy industry established an imperative to improve their working capital status.

Same day delivery and fulfillment of customer orders was and continues to be a critical component in the design, manufacturing and sale of various sub-sea production and processing systems.

The company's ongoing cash position was compromised by a lack of bench strength in inventory control, systems and skill sets combined with poor cash controls to capture unbilled receivables.

There was no accountability for unfulfilled specialty orders and suppliers were not held responsible for late or inaccurate deliveries.

"After consulting with Proudfoot and following a detailed analysis of the drivers that would best accelerate a positive impact on working capital, the executive team determined the best course of action would be to reduce inventory in one of the main divisions, and then apply the same solutions globally."

- Client CEO



## Proudfoot PROOF POINTS

Energy  
Case Study

### A TRANSFORMATIONAL APPROACH

- Working together with Proudfoot, the team:

- 1 Designed and implemented a set of tools and resources** to give management greater visibility of the business – inventory management was the top priority.
- 2 Worked closely with the sales force** to troubleshoot and rectify reoccurring issues, such as order backlogs and cancellations.
- 3 Developed new processes that encouraged open communications.** Employees were incentivized to keep excess and obsolete inventory to a minimum.
- 4 Managed all three phases of the ordering process**, including forecasting and invoicing. Demand variance metrics were built into the S&OP system to improve forecast accuracy.
- 5 Designed and managed tools that would measure demand accuracy** by customer and inventory to hold people accountable for any cancellations or overages.
- 6 Developed and established a standard process** for the creation, management and cancellation of orders, and successfully rolled

### REMARKABLE RESULTS

- 40%** increase in **sales forecast accuracy**
- 19%** reduction in **overall inventory**
- 26%** reduction of **safety stock**

- Better processes and performance incentives had a positive impact** on employee morale and behaviors.
- Well-executed solutions gave management greater visibility** when evaluating supply chain performance.
- Improvements to the client's operations** provided greater access to the working capital and cash flow.
- Sales training reinforced accountability** for orders placed and gave stock planners greater visibility.

"Aligning our behaviors with processes was the cornerstone for a new culture of accountability."

- Client CEO

# Proudfoot