Printers and their supplies are among HP’s most successful products, with millions of units shipped each month. For a business of this size, good forecasting tools are essential. HP Imaging and Printing Systems (IPS-Commercial/CBO-Supplies) has implemented a completely new forecasting system following a recent HP reorganisation, which involved the devolution of planning responsibilities to the regions. HP IPS-Commercial/CBO-Supplies has Europe-wide responsibility for distributing HP printers and printer supplies.

Having chosen SAP Advanced Planner and Optimizer (APO) for its functionality and best-in-class forecasting techniques, HP IPS-Commercial/CBO-Supplies worked with HP Consulting and SAP to implement the system.
To make this project and the later use of the new process successful, the project team consisted of business representatives and future users out of the main impacted departments: Marketing and Distribution.

“In the past, our centrally driven supplies forecasting system was based on assumptions that applied to the US but not necessarily to Europe,” explained Isabell Harle, project leader for the implementation within CBO-Supplies. “Our quarterly forecasts were not accurate enough, so demand often outstripped supply.”

consistent decision-making

It needed a tool that would produce a monthly forecast and support a cross-functional collaborative forecasting and decision making process. In the past, different functions (e.g. Sales/Marketing/Distribution) had used different forecasting systems and processes, leading to non-connected business decisions and several forecast versions for the same business.

Therefore the availability of all planning-related data in a single system is key to improved accuracy and ensures effective collaboration internally.

hitting the target

HP IPS-Commercial/CBO-Supplies has to supply customers with the products they want, when they want them. Product Availability as well as customer satisfaction are the main drivers in the market HP IPS-Commercial/CBO-Supplies is doing business. Therefore improved forecast accuracy is also a major benefit of implementing this system.

“More accurate forecasts mean improved product availability for the customer,” commented commercial project leader Bernhard Kühne. “We expect to improve customer loyalty and boost our market share.”

After the implementation forecast accuracy improved by 2.5% and will do even further after getting used to new processes and systems. Other benefits include a reduction in inventory. Also, automated forecasting with SAP APO is faster and less susceptible to human error. Forecasting cycle time has been cut by three days. Taken together, these improvements lead not only to improved customer service but also to substantial financial savings.

“With such a large business, an improvement of even a few percentage points in forecasting accuracy represents a great deal of money because supply is more closely matched to demand. APO has rapidly become business-critical, and we expect it to be adopted by other regions and HP businesses in the near future,” said Harle.
The wealth of knowledge and experience gained by HP during this major project is now being leveraged by HP Consulting, which is currently engaged in several customer implementations of APO.

For more information about how working with Hewlett-Packard can benefit you, please contact your local HP sales representative or seller, or visit: http://www.hp.com.