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IBM Connected 2012 Istanbul

Learn. Collaborate. Innovate.

Kordsa Global Supply Chain Optimization Project

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Agenda

- Kordsa Global Introduction
- SCO Objectives
- What's new with SCO?
 - SCO Data Flow
 - Optimization Capabilities
 - Web-Based Reporting
- SCO Project Expected Benefits

Kordsa Global Milestones

1973-1990



1973 Kordsa Turkey established (Fabric Plant)



1987 DUSA-Sabancı Dupont (Joint Venture Yarn Plant)



1990 Initiation of "Quality Culture" studies and deployment of Total Quality Management

1993-2000

1993 First ISO-9001 Certificate given to a textile fabric plant in the world. -Kordsa Turkey



1993 NileKordsa established

1998 InterKordsa established



1998 South America Investment

1999 Dusa Yarn Plant-Kordsa Turkey Fabric Plant Merger



2000 North America Investment

2001-2006

2001 Global Joint Venture with DuPont forming DUSA LLC

2005 Acquisition of Dupont Shares in DUSA LLC, establishment of Kordsa LLC



2005 Growth in polyester

2006 Establishment of Kordsa Global (Headquarters in Turkey)

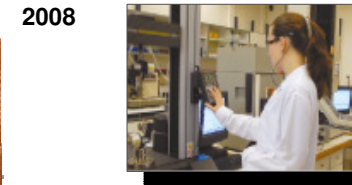
2006 Growth in Asia



2006 Global Technology Organisation formed

2007-2011

2007 Investment in R&D and Single End Cord



2008 Global Technology Center Opening in Turkey

Single End Cord investment in Turkey, Germanv and Brasil



2010 Acceptance to the Turquality programme



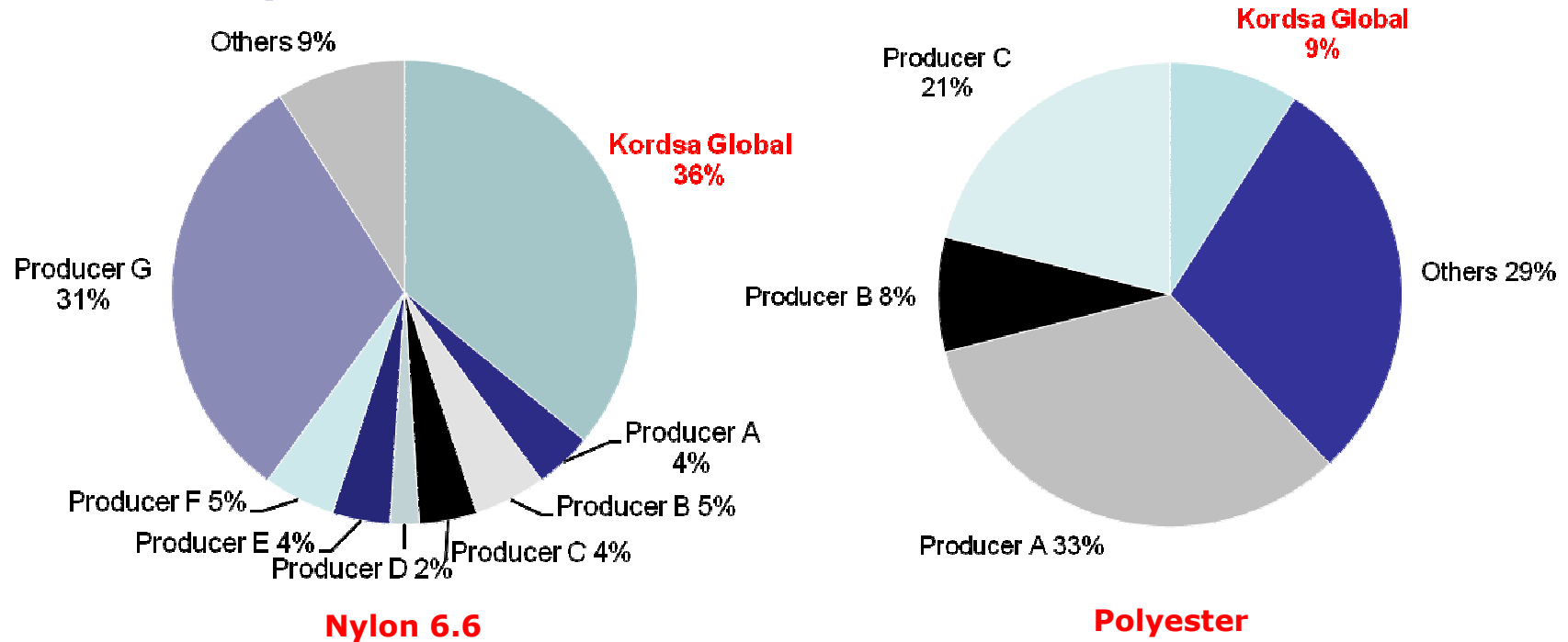
Monolyx & Twixtra brand launch



2011 Capmax brand launch

2011 Polyester production capacity increased in Indonesia

Industry Leader

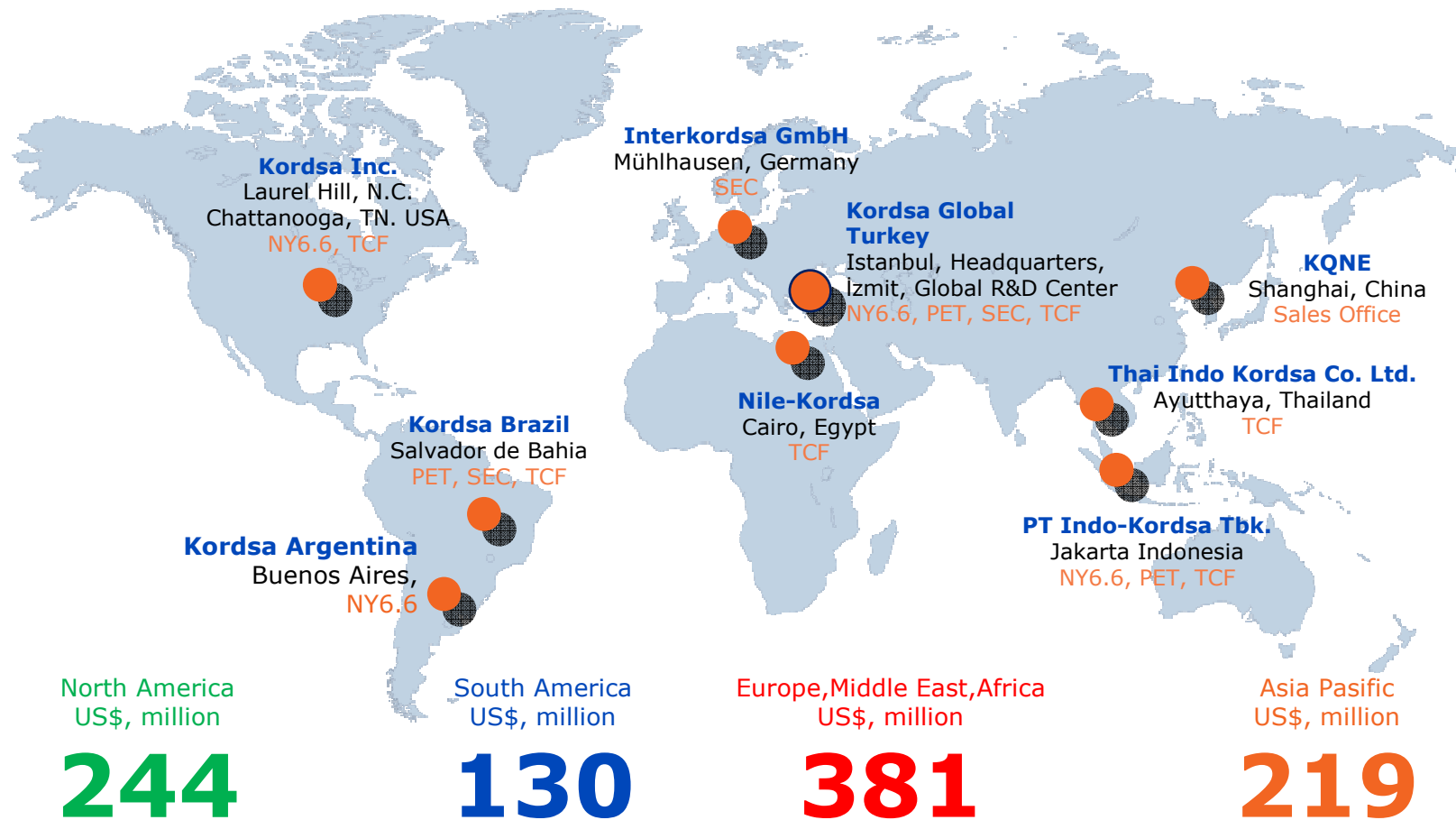


Only global company with a sizeable position in both industrial Nylon & PET

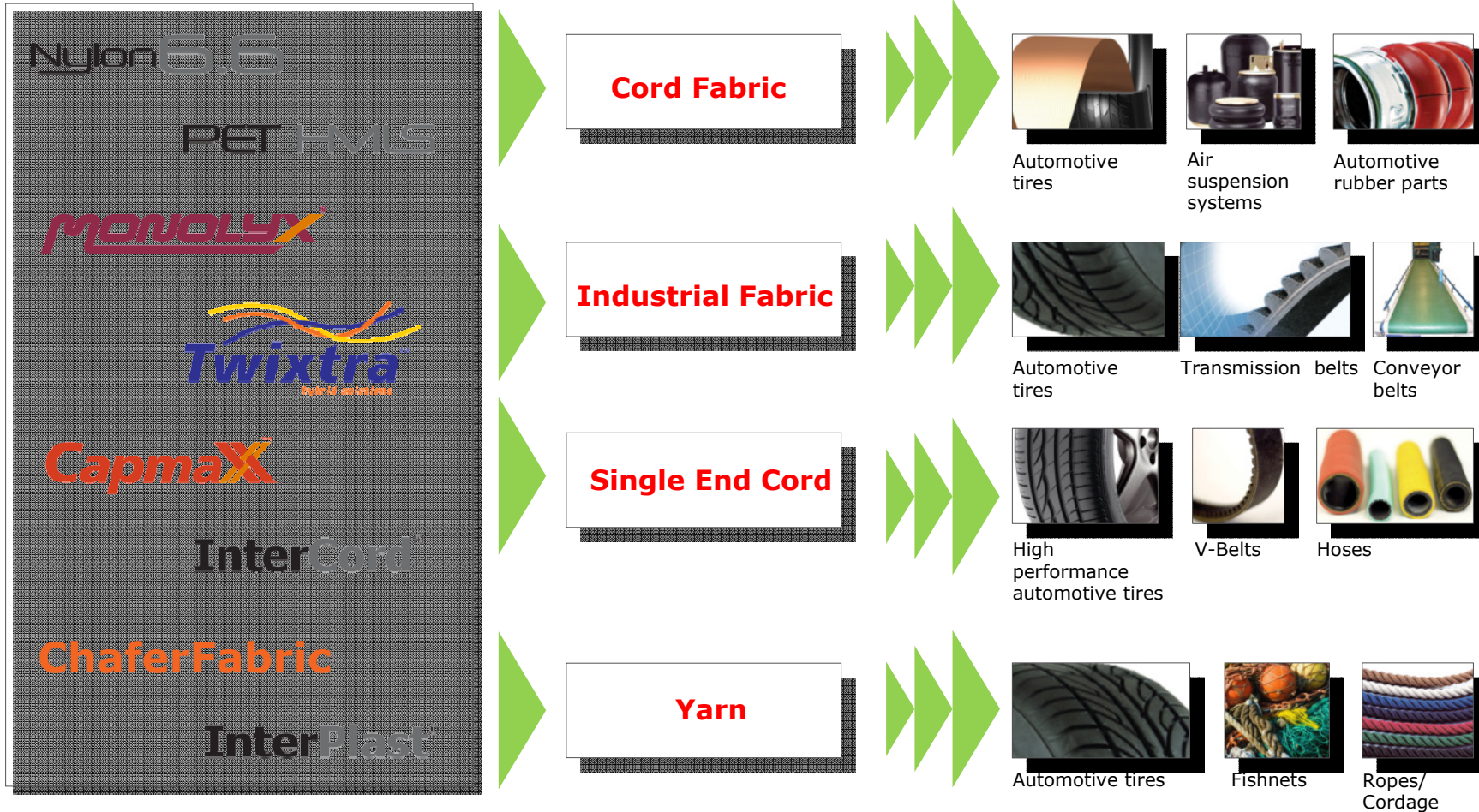
Leading producer of Nylon 6.6 with 36% market share
World's largest Tire Cord Fabric producer
Growing in PET, 3rd largest producer.

Kordsa Global Worldwide Operations

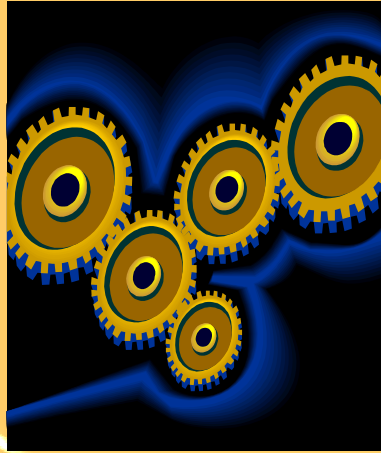
5 continents, 9 countries, 10 plants, 4500 employees, 985M USD revenue in 2011



Kordsa Global Product Portfolio



Kordsa Global System Challenges



Process Challenges

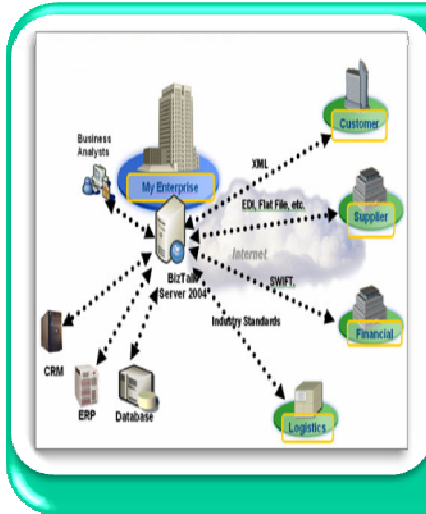
- Demand Forecast Accuracy
- Supplier Constraints
- Inventory levels & Safety stock planning
- What-if Scenario Analysis
- Network & Plant Optimization
- Interchangeability



Business Challenges

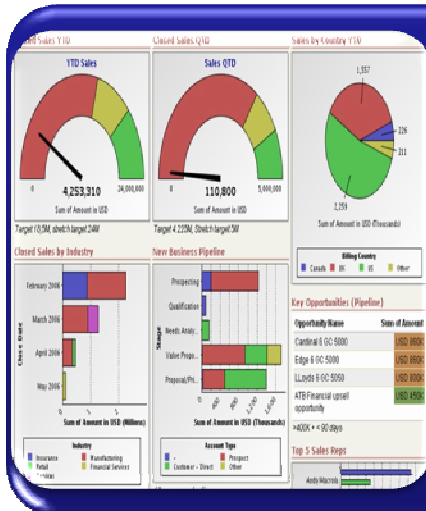
- Globalization & Risk management
- Visibility
- Flexibility
- Safety Stock
- Integrated processes

Kordsa Global Technological Improvements



Data Integration

- Integration of various ERP Systems
- Develop a Data Warehouse
- Eliminate Duplicated Manual Effort
- Increase the visibility of Dynamic Data
- Create a Data Coding Standard

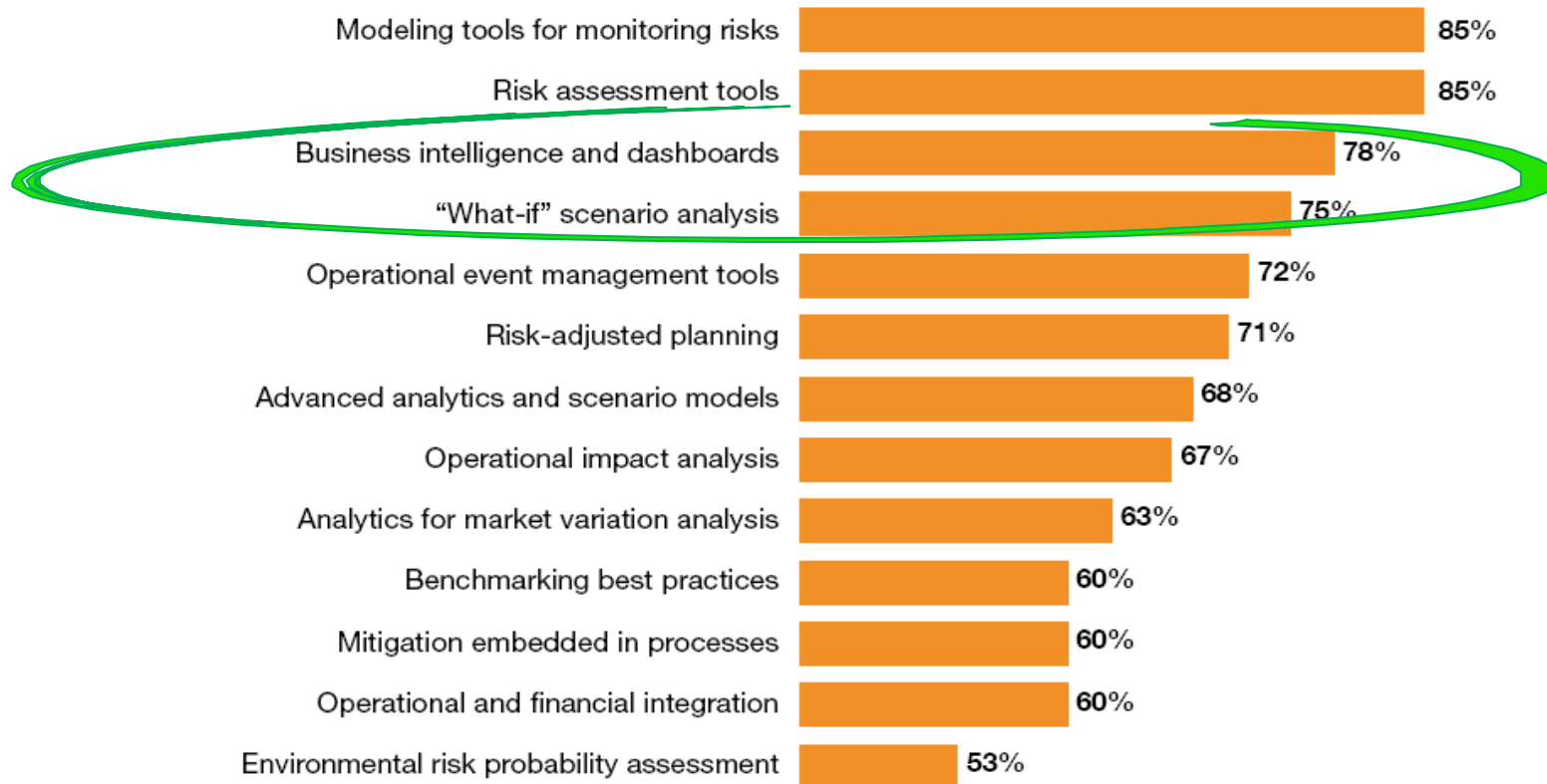


Reporting

- Develop Web based reporting
- Dash boards
- Reports using both historic data and projected Global SPI Planning

Modeling for Risk Management

Where is your company focusing its key risk management implementation efforts?



Source: IBM Institute for Business Value Risk Management Study

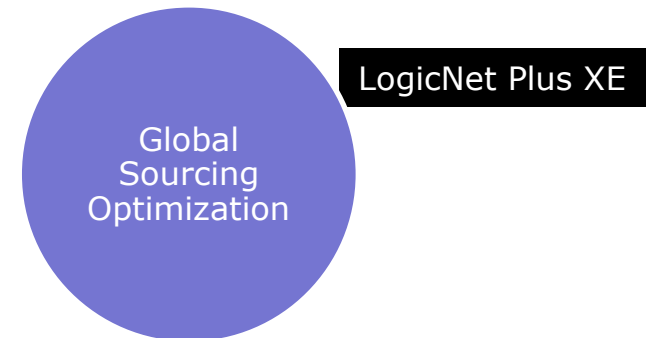
Objectives To Be Addressed By SCO Project

LogicNet Plus XE

Capital
Expenditure
Planning

Optimize the use of assets for possible capacity reduction and optimize the expansion plans / capital expenditure plans.

Objectives To Be Addressed By SCO Project



Optimize the sourcing strategy to optimize the net landed cost to customers, identify which plants will serve which markets in the most cost effective way by performing end-to-end optimization.

Objectives To Be Addressed By SCO Project

Optimize the safety stock requirements in the network by product while taking into account the production parameters, replenishment parameters, service levels, lead times, possible outage risk etc.

Inventory
Optimization

Inventory Analyst

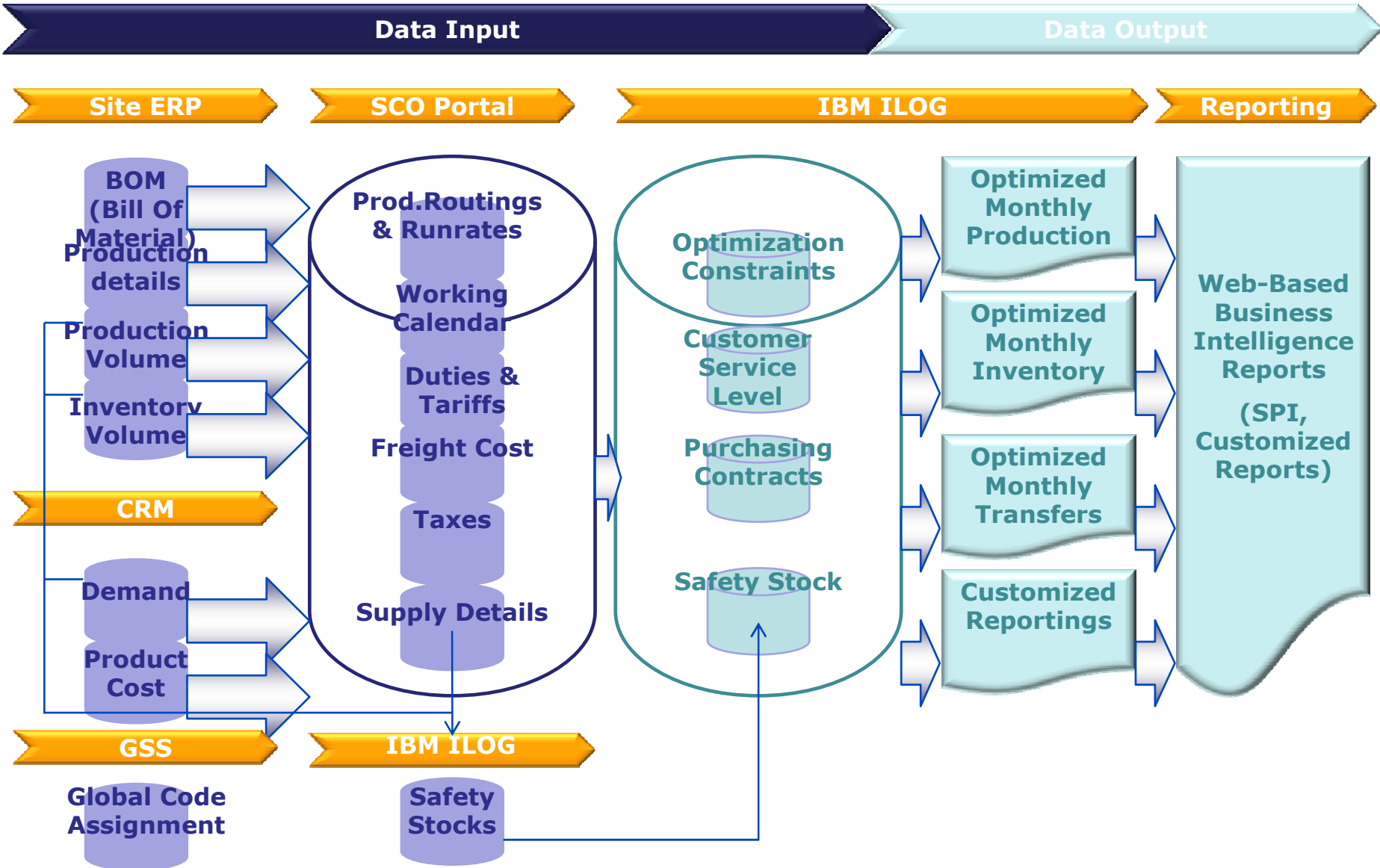
Objectives To Be Addressed By SCO Project

LogicNet Plus XE

Site
Production
Planning

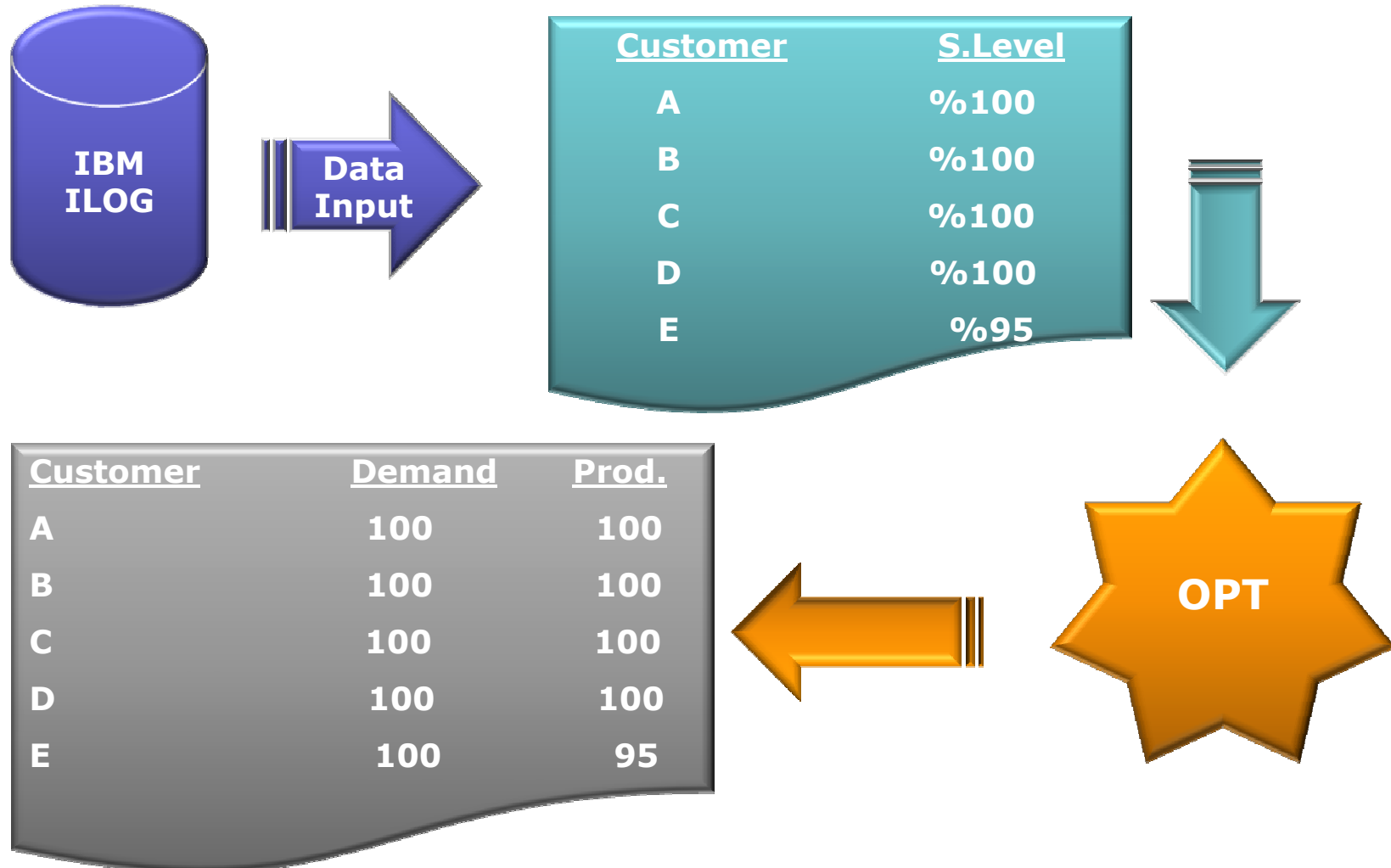
Optimize the use of assets and the raw materials in a single plant location. In a multi-period (monthly or weekly) horizon, optimize the use of raw material supply and the production & inventory strategy.

SCO Data Flow



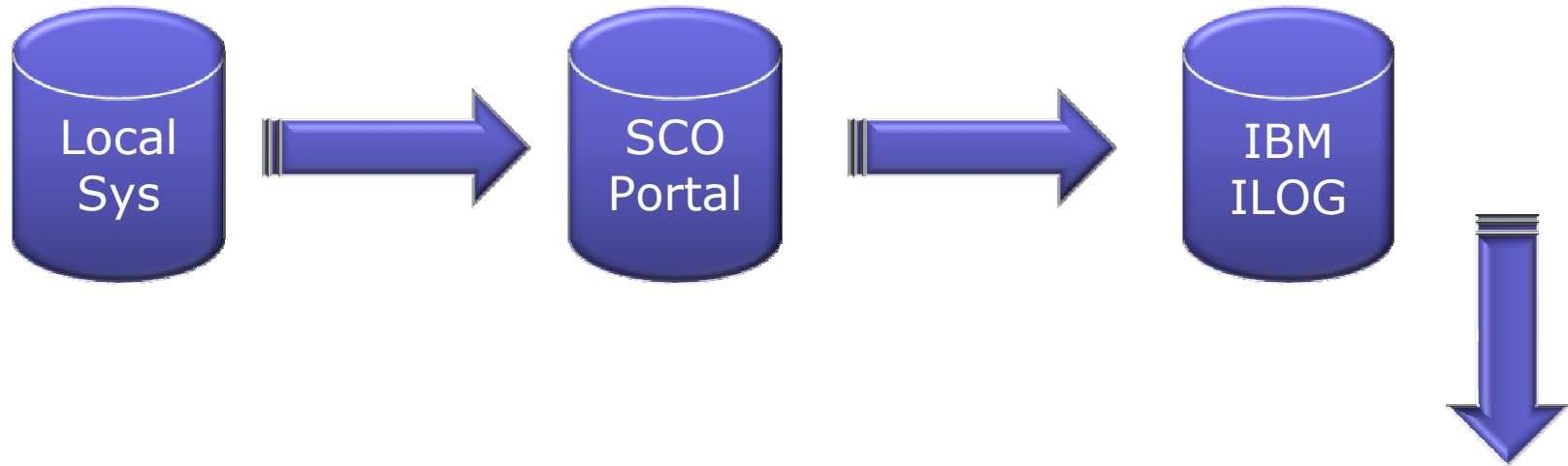
Optimization Capabilities

Optimization According to Customer Service Level



Optimization Capabilities

Select Non-Profitable & Less Profitable Products

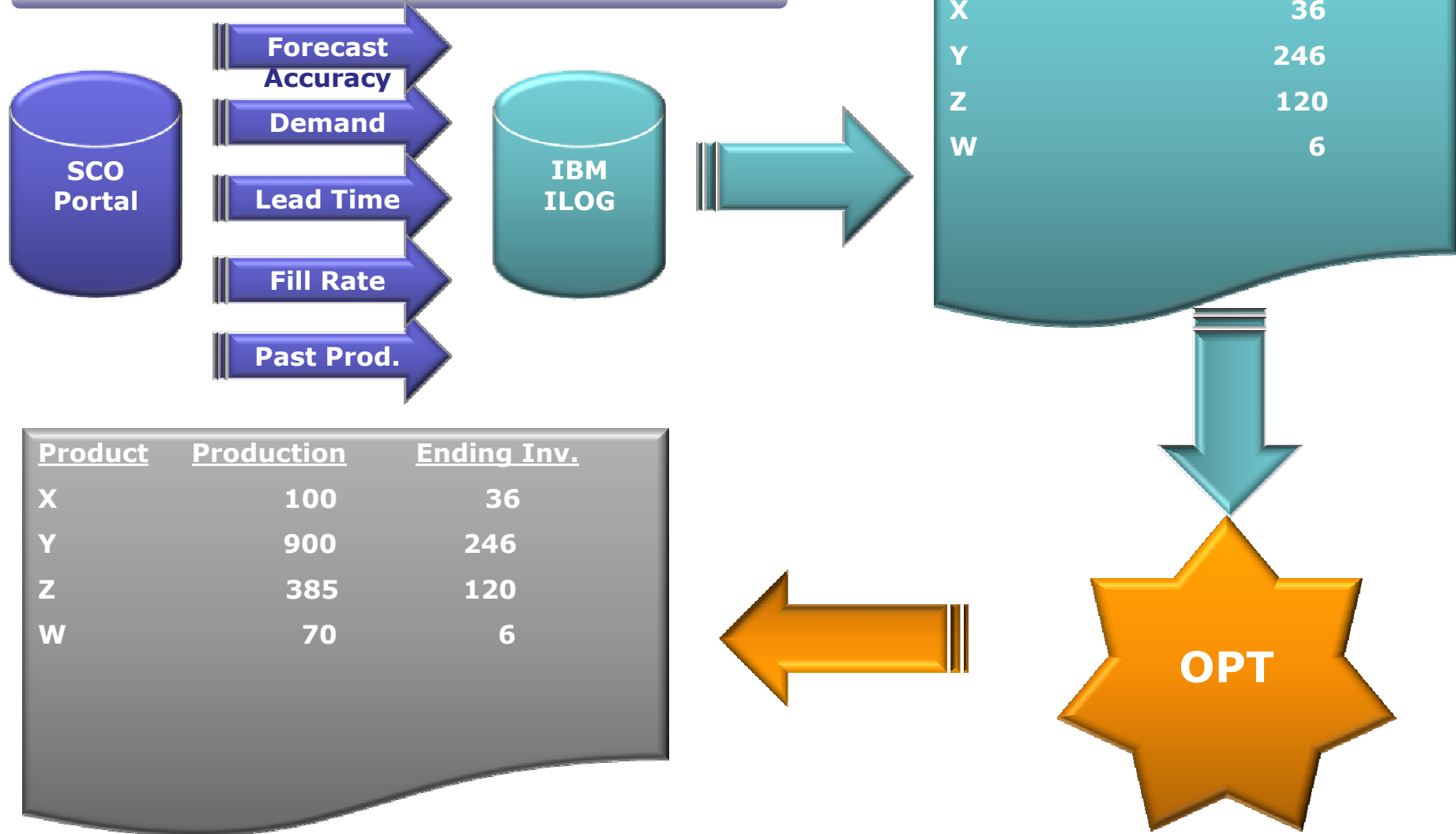


System gives priority to most profitable products in order to effective usage of capacity.



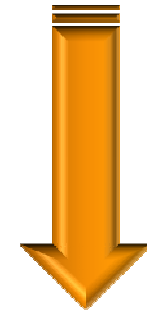
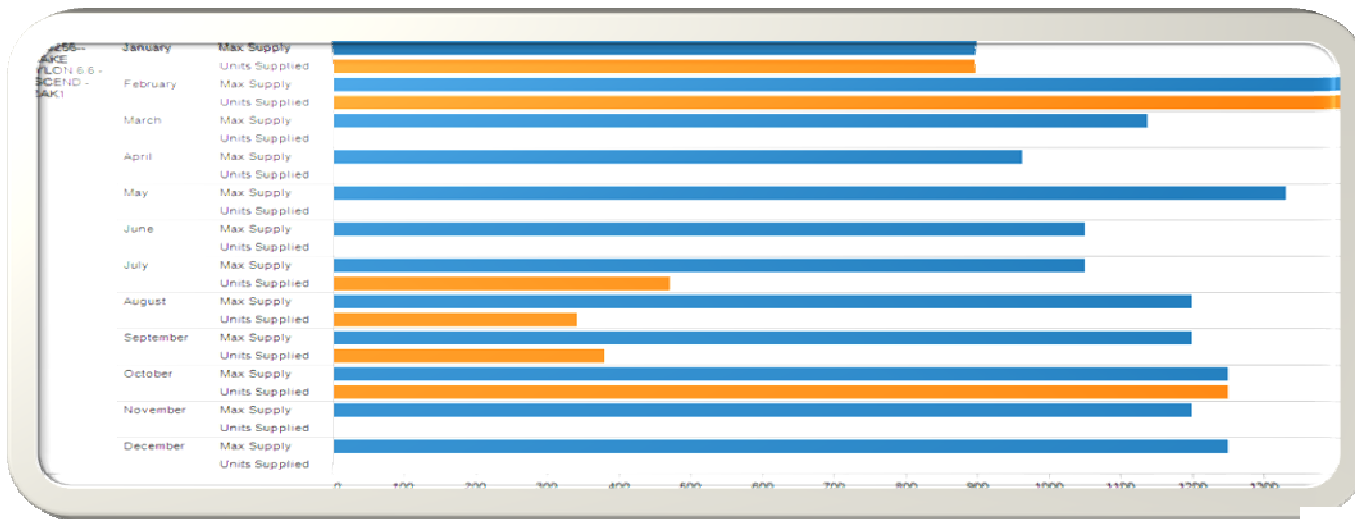
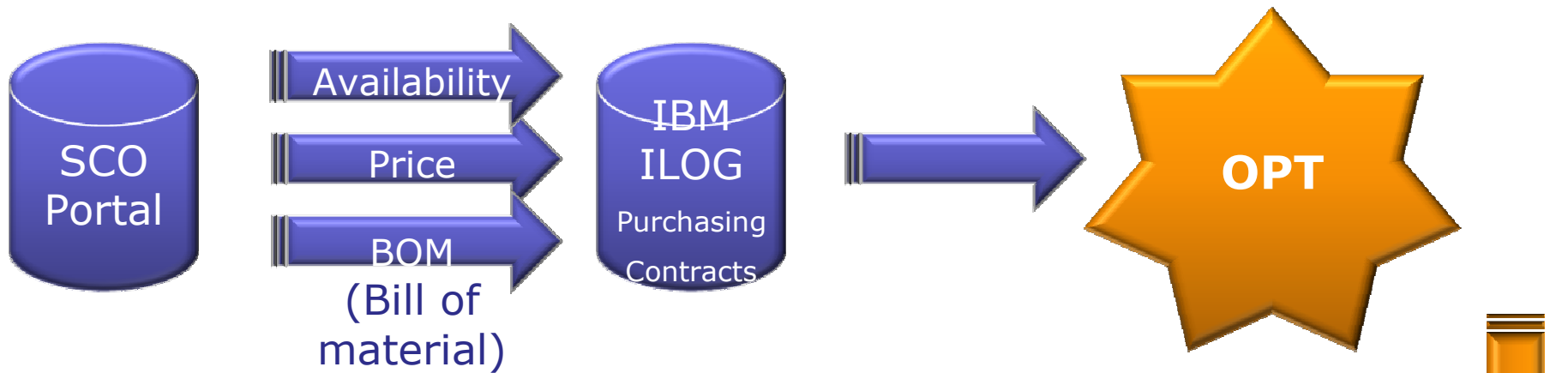
Optimization Capabilities

SKU Based Inventory Optimization

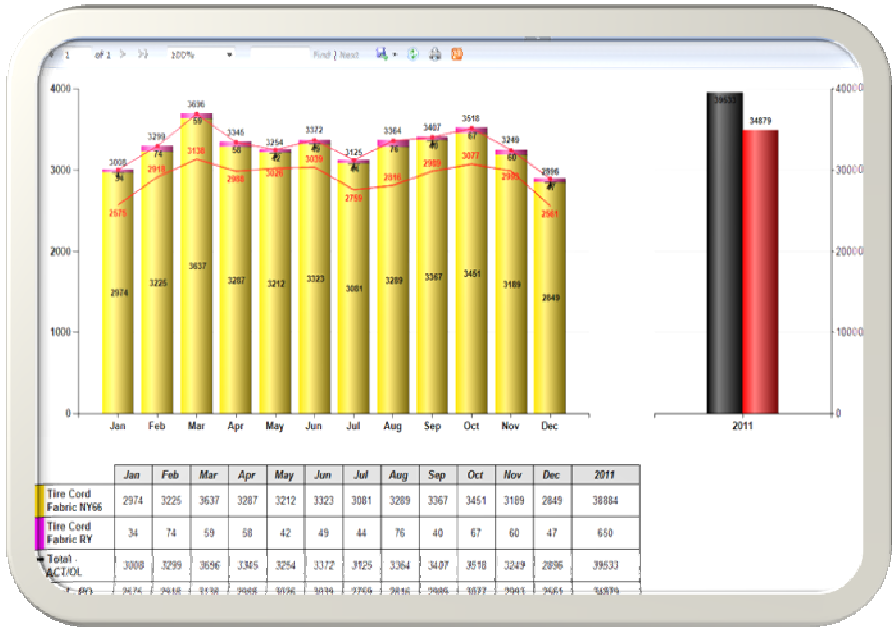
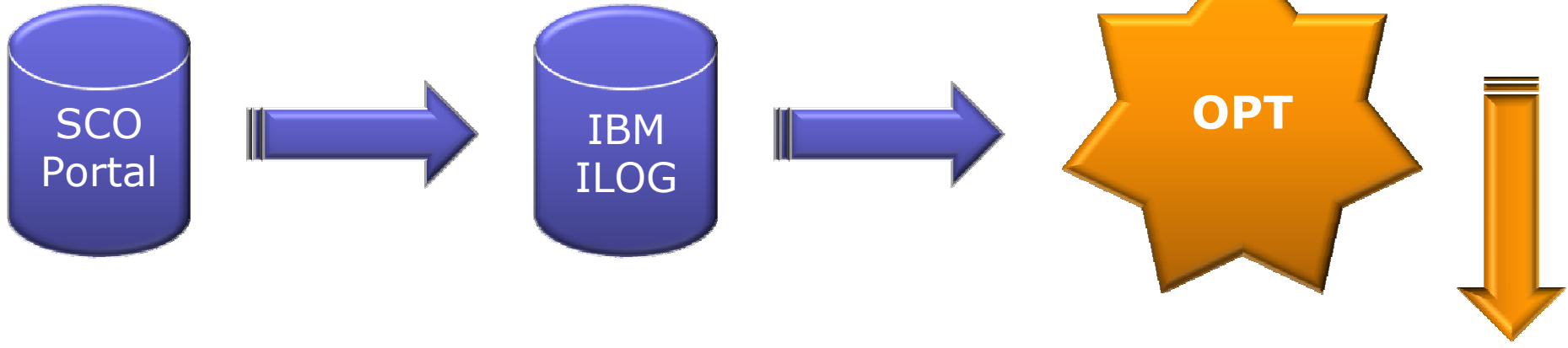


Optimization Capabilities

Create Procurement Plans



Automatized & Web-Based SPI Reporting



MATERIAL TYPE	TOTAL	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD - Mth
PO	13,682	505	1,148	1,218	1,187	1,207	1,181	1,165	1,023	1,195	1,239	1,158	1,819	4,456
ACT / Jun 1st OL	18,119	1,808	1,449	1,719	1,837	1,446	1,492	1,354	1,414	1,652	1,662	1,690	1,495	6,112
Jun 1st OL vs PO	4,437	402	302	503	450	239	311	190	391	358	413	402	476	1,657
Jun 1st OL vs PO %		44.3 %	26.4 %	41.4 %	37.9 %	19.8 %	26.3 %	16.3 %	38.2 %	29.9 %	33.4 %	33.5 %	48.7 %	
Jun 1st OL vs Prev	-216	0	0	0	0	-16	-52	-160	33	6	-21	-2	7	0
Jun 1st OL vs Prev %		0.0 %	0.0 %	0.0 %	0.0 %	-1.1 %	-3.4 %	-10.6 %	2.4 %	0.4 %	-1.8 %	-0.1 %	0.5 %	
ACT / Jun 2nd OL	18,131	1,308	1,449	1,719	1,837	1,446	1,520	1,332	1,417	1,551	1,662	1,660	1,500	6,112
Jun 2nd OL vs PO	4,445	402	302	503	450	239	339	187	394	356	413	402	481	1,857
Jun 2nd OL vs PO %		44.3 %	26.4 %	41.4 %	37.9 %	19.8 %	28.7 %	14.4 %	38.6 %	29.9 %	33.4 %	33.5 %	47.2 %	
Jun 2nd OL vs Prev	12	0	0	0	0	0	27	-22	3	-2	0	0	5	0
Jun 2nd OL vs Prev %		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.8 %	-1.8 %	0.2 %	-0.1 %	0.0 %	0.0 %	0.3 %	
PO	18,225	1,870	1,586	1,487	1,563	1,545	1,493	1,455	1,193	1,823	1,882	1,798	1,468	5,686
ACT / Jun 1st OL	22,892	1,886	1,541	1,847	1,754	1,770	2,064	1,896	1,749	2,138	2,170	2,147	2,812	8,999
Jun 1st OL vs PO	4,677	488	255	360	191	233	571	391	556	313	368	368	544	1,313
Jun 1st OL vs PO %		45.4 %	16.1 %	25.9 %	13.2 %	15.1 %	38.2 %	27.6 %	46.6 %	17.2 %	20.4 %	21.6 %	37.6 %	
Jun 1st OL vs Prev	86	0	0	0	0	-77	128	9	-28	44	19	-4	7	0
Jun 1st OL vs Prev %		0.0 %	0.0 %	0.0 %	0.0 %	-4.1 %	6.6 %	0.5 %	-1.6 %	2.1 %	0.9 %	-0.2 %	0.3 %	
ACT / Jun 2nd OL	22,859	1,558	1,341	1,847	1,754	1,770	2,022	1,721	1,763	2,101	2,194	2,107	1,872	8,999
Jun 2nd OL vs PO	4,434	488	255	360	191	233	529	306	570	276	392	309	504	1,313
Jun 2nd OL vs PO %		45.4 %	16.1 %	25.9 %	12.2 %	15.1 %	35.6 %	21.6 %	47.7 %	15.3 %	21.6 %	17.2 %	34.3 %	
Jun 2nd OL vs Prev	-243	0	0	0	0	0	-41	-83	14	-35	24	-80	-40	0

SCO Project Expected Benefits

TANGIBLE BENEFITS	INTANGIBLE BENEFITS
<ul style="list-style-type: none"> ▪ Days of Supply improvement (estimated 13 %) 	<ul style="list-style-type: none"> ▪ Accurate & rapid supply chain risks / opportunities analysis
<ul style="list-style-type: none"> ▪ Fabric & yarn chemicals inventory reduction (estimated 10%) 	<ul style="list-style-type: none"> ▪ Reduction in component shortage occurrences (expected 20%)
<ul style="list-style-type: none"> ▪ Increase working capital turnover (estimated 3 %) 	<ul style="list-style-type: none"> ▪ Ontime delivery (customer requested / promised date) improvement 1%

Thank You
Teşekkürler