

Case study

Sales & Operations Planning,  
Replenishment, Forecasting



# Michelin Drives Innovation and Collaboration

## Results

- Increased planning efficiency
- Improved decision making process
- Minimized supply chain risks
- Improved visibility and greater accountability with key stakeholders

## Improved productivity

“We believe the Sharp S&OP project, supported by Blue Yonder S&OP, will significantly increase visibility into future risks and constraints, thanks to scenarios shared across the organization.” – **Senior Vice President of Global Supply Chain, Michelin**

## Challenges

- Michelin is a leading tire manufacturer, headquartered in Clermont-Ferrand in the Auvergne region of France. Michelin is present in more than 170 countries and operates 68 production plants in 17 different countries. In addition to the Michelin brand, the company owns a strong brand portfolio, including BFGoodrich, Kleber, Tigar, Riken, Kormoran, and the Uniroyal brand for the North American market, among others.
- Michelin’s supply chain complexity increased substantially and had become more difficult to manage due to scarce capacity, a growing portfolio of tire types and a significant increase in parts resulting from the company’s innovation efforts. The market in which the company operates had also become increasingly volatile and competitive, as well as impacted by seasonal demand.
- After analyzing its existing S&OP decision-making process, several potential improvements were identified including undetected opportunities, risks and constraints.
- Legacy tools and processes used by the Michelin business units were heterogeneous and didn’t have the flexibility necessary to support its S&OP transformation.





## Seamless implementation

Michelin deployed Blue Yonder's agile implementation approach, which includes a sequence of three-week sprints of designing, constructing, testing and validating the solution. This rapid prototyping methodology enabled the team to learn and mature quickly in their use of the solution while achieving results through each phase of the project, ensuring adoption by the business. A key enabler of this approach was the use of Blue Yonder cloud launch to support rapid deployment and performance testing.

In addition to the organizational and technology rollout, Michelin conducted a gap analysis of its S&OP processes and its position on the S&OP maturity curve. The teams identified process gaps and data consistency issues and built an action plan to close those gaps. The action plan was then translated into monthly objectives, along with monthly status reviews, to reinforce organization-wide accountability. The company also joined Blue Yonder's S&OP Special Interest Group, which enabled them to learn from other customers' experiences and best practices.

## Solution Benefits

- Michelin turned to Blue Yonder for support in the transformational S&OP project, encompassing process, organizational and technology changes, to improve its supply chain plan decisions and cross-functional alignment.

- Blue Yonder's sales and operations planning capabilities enabled Michelin to better share within the business unit executive team a common demand, sales and production plan, as well as manage priorities. It also allows the enterprise to balance demand against capacity across a 12-18-month horizon, a process often referred to as tactical balancing, or rough-cut capacity planning.

## Why Blue Yonder

At the beginning of 2017, Michelin launched a reorganization study, modifying in depth its business structure. The collaboration capability in Blue Yonder S&OP played an integral part as it enabled multiple entities (such as manufacturing, regions and business lines) to work together to build common tactical sales, production and stock plans, and it was one of the main levers that allowed a quick transition from the old organization to the new.

Since January 2018, the main Michelin activities worldwide have been driven using Blue Yonder's S&OP capabilities and a tool deployment roadmap. The solution supports a standardized process and network for sharing best practices, empowering the plants and sales organizations with a new tool for collaboration. It also enables local simulations to support demand management in the regions, as well as capacity management at the plants, all using one set of data to ensure consistency.



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