



Innotiimi

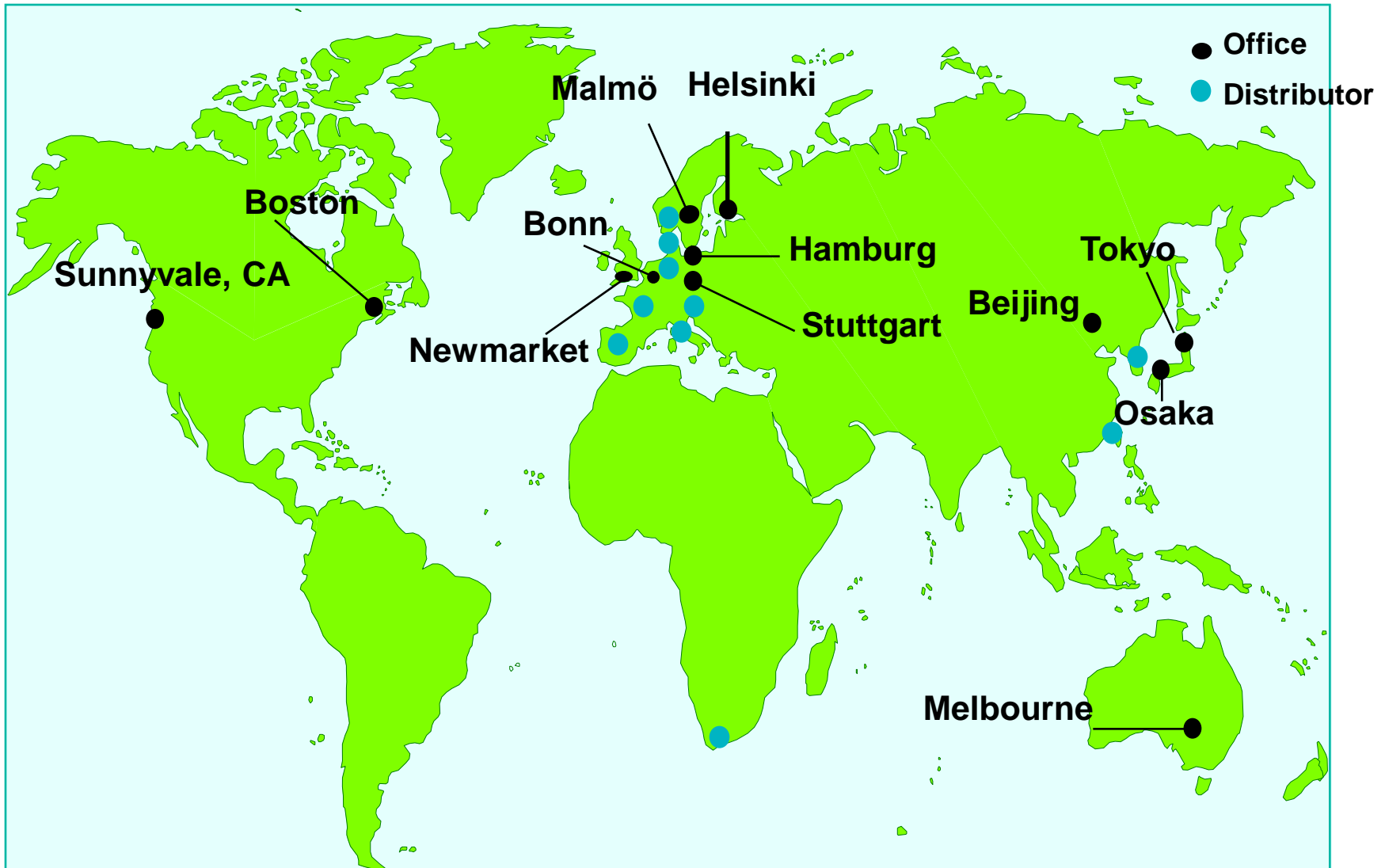
Free and Focus co-energy.

Sales Planning in Vaisala Instruments

19.11.2013

Jaakko Laurikainen

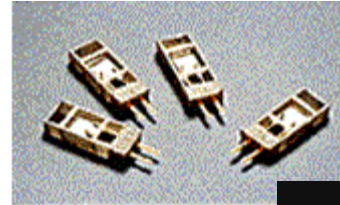
Vaisala Instruments



Capacitive thin film sensors



- HUMICAP sensor element



- Humidity instruments





- **EM Channel meeting**
 - **Delivery process common vision was formed**

**Luotettava toiminta
- tyytyväinen asiakas**

**Reliable chain
- satisfied customer**

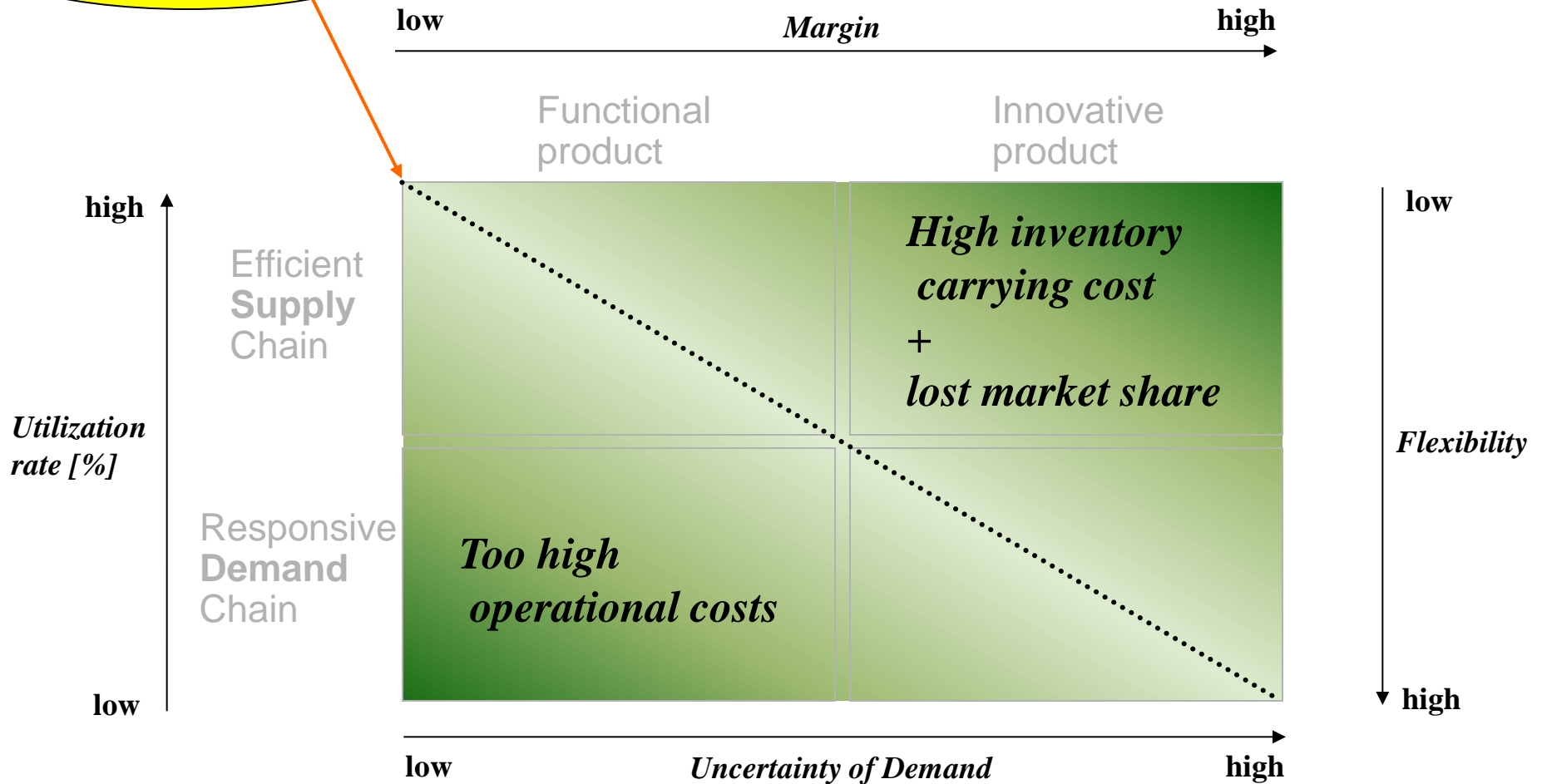


METRIC	Year1	Year2	Year3
Total Inventory DOS	90	60	15
Delivery Punctuality	>85%	>95%	>99%
Order Fulfillment Lead Time capability	5/10 d	3 d	3 d
Sales planning accuracy	50%	75%	95%

What is the Right Demand/Supply Chain?



Optimum on this diagonal?

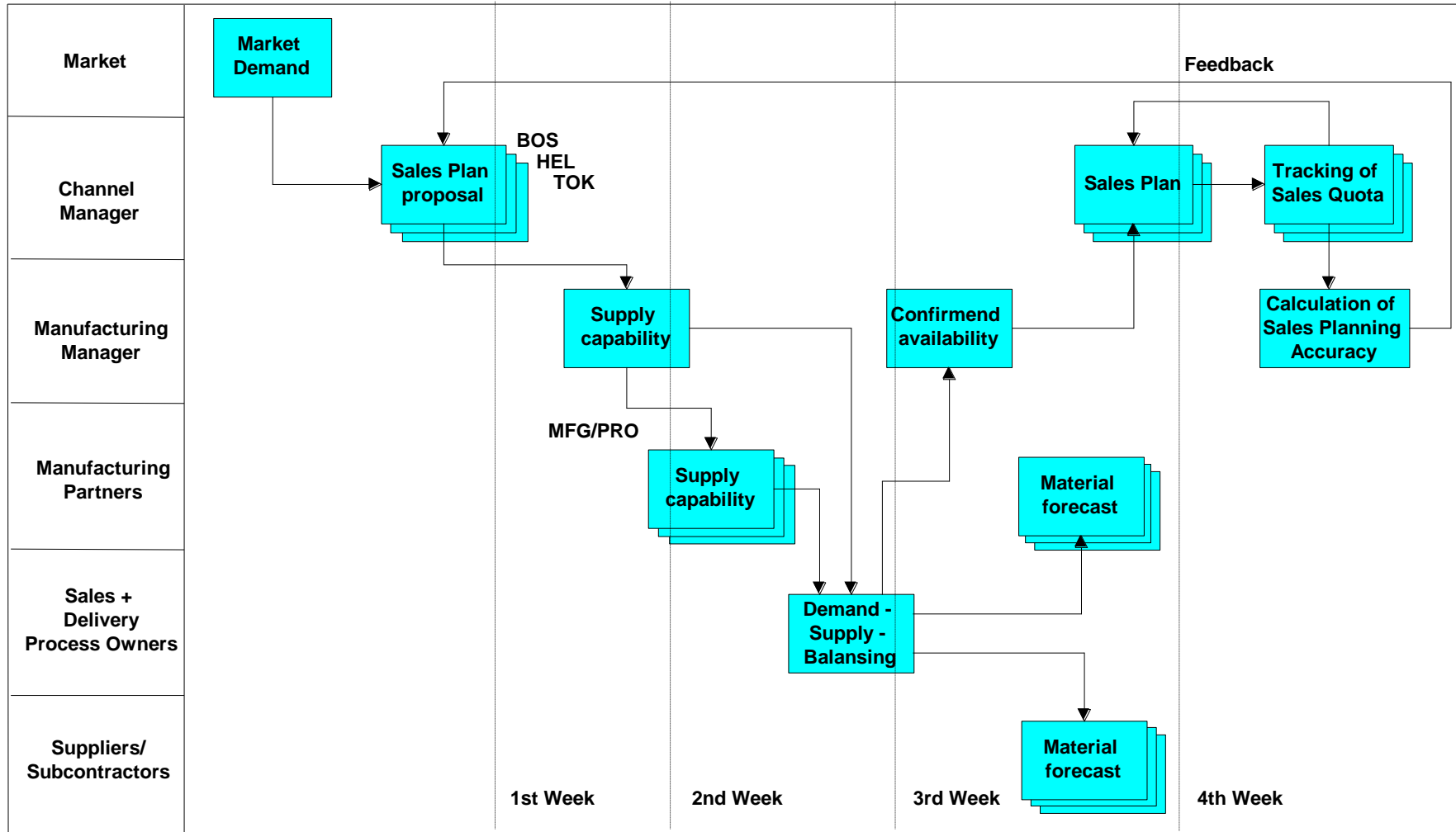


VIN Planning process

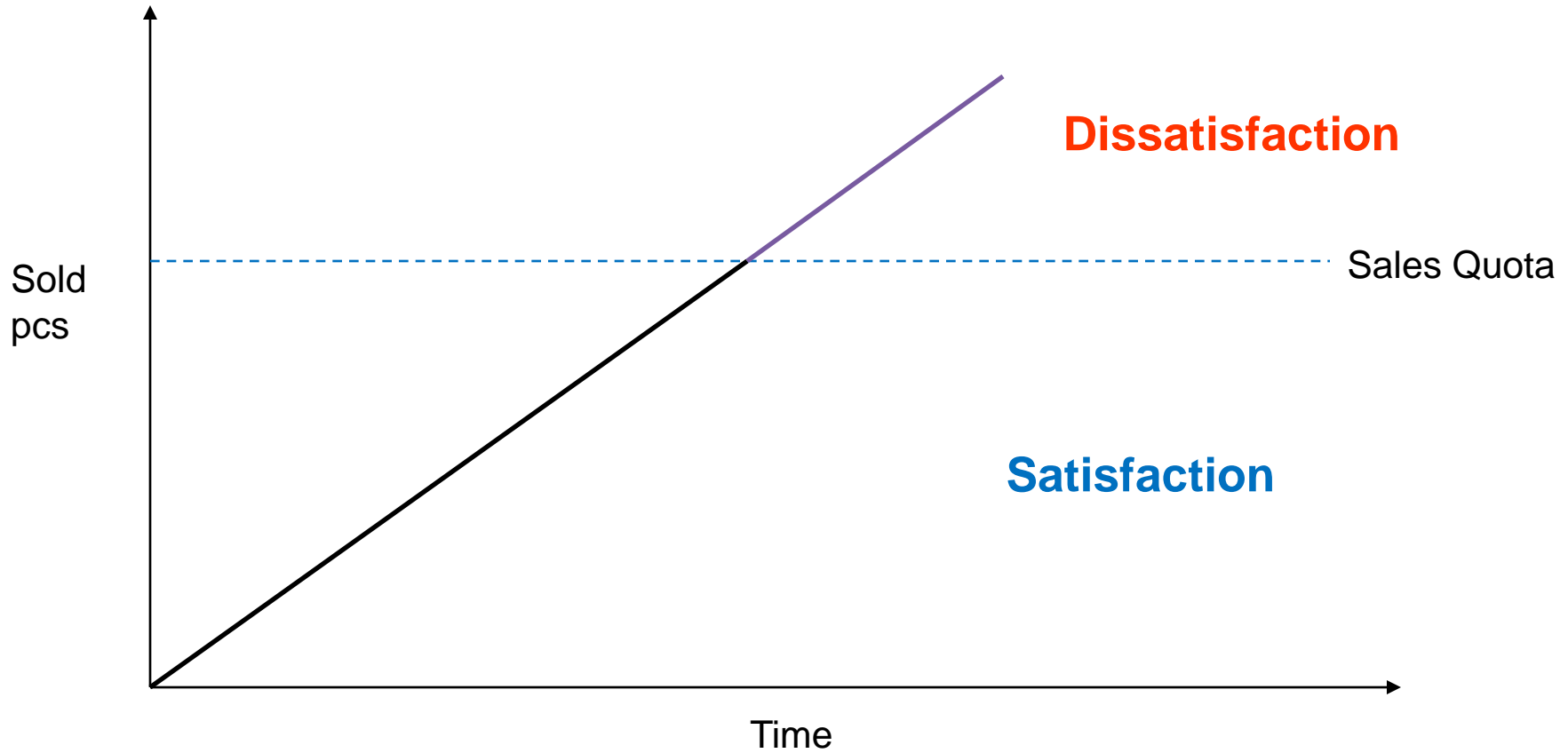


Vaisala EM Planning Process

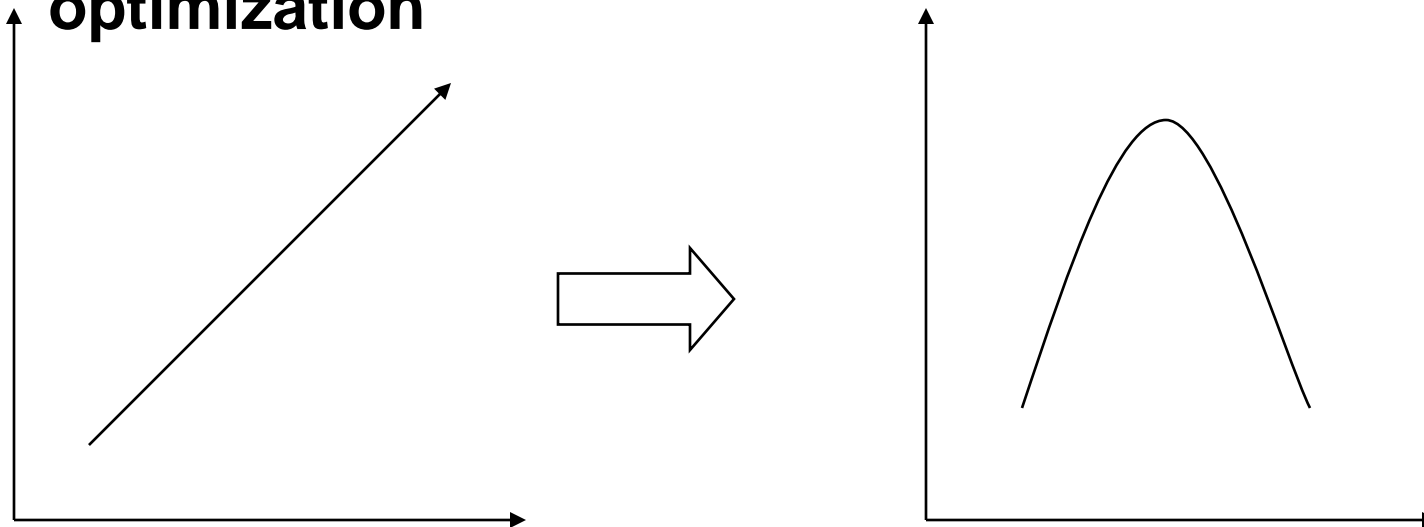
JAL 2001-11-09



Sales Quota



- **From function to process = from sub to total optimization**



- **Sales Planning Accuracy (SPA)**

Example of Service Classes

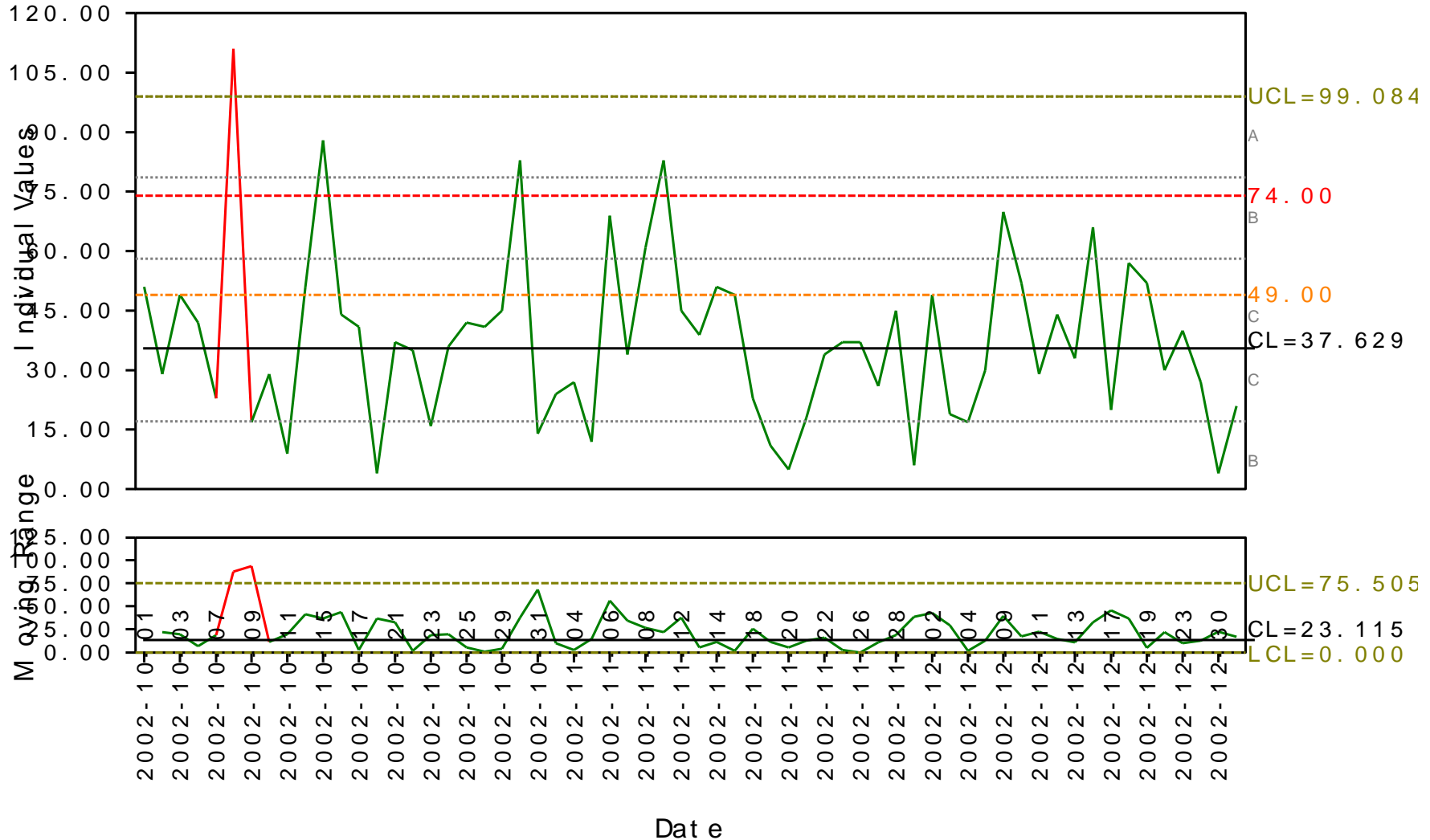


	Fast Track	Standard	Project
Order Fulfilment Lead time (order received by 14.00)	1 work day	5 work days	20 work days
Delivery lot size	Min 1 piece Max 2 pieces	Min 1 pieces Max 25 pieces	Min 10 pieces Max within supply frame
Price	Basic + 50 USD	According to Price List	Basic
Other Information	Price includes transportation	Price includes transportation	Delivery to site, one or more lots
Delivery Performance Target	100 %	98 %	100 %
Target Volume	10 %	80 %	10 %

Production - team



HM P1

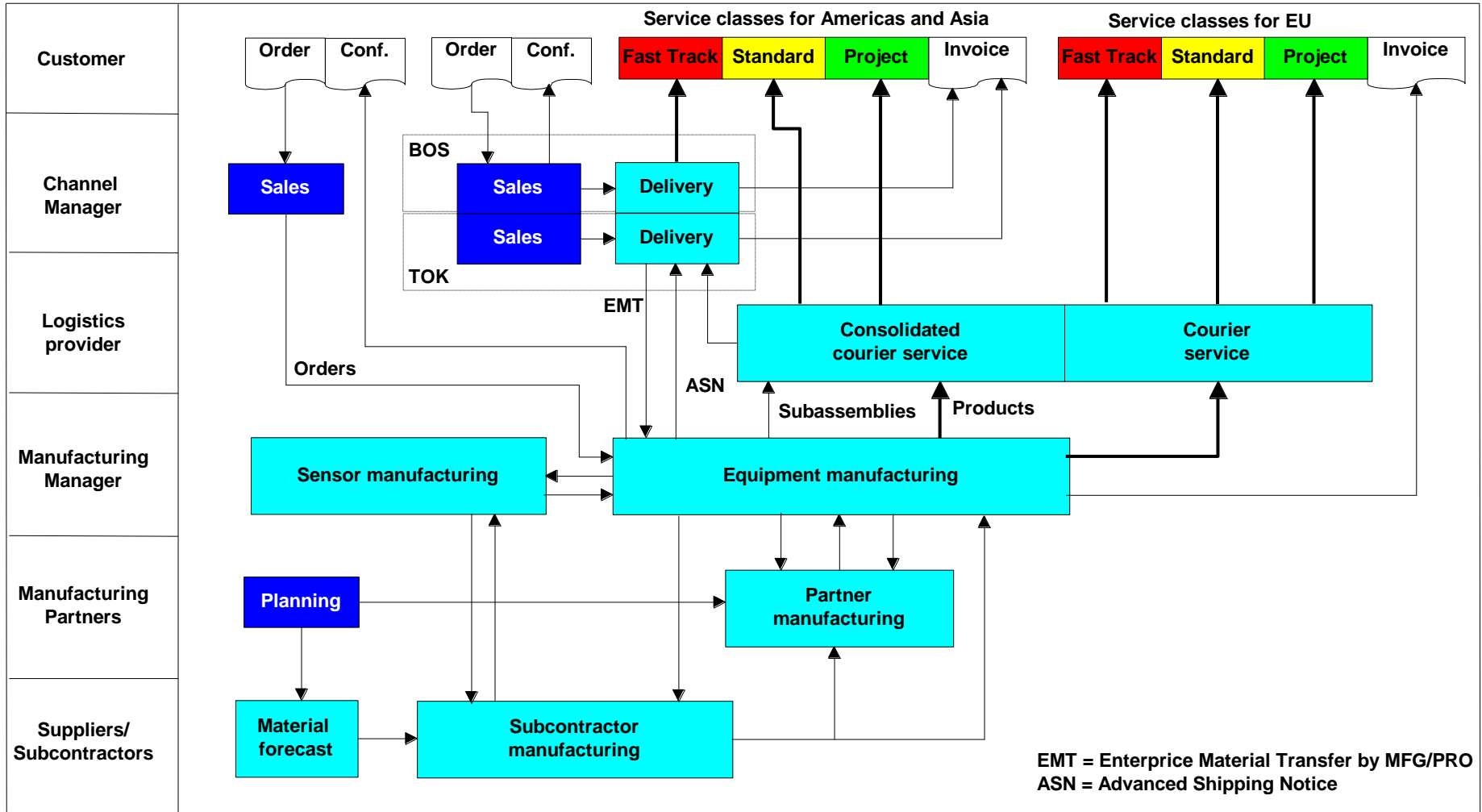


VIN Delivery process

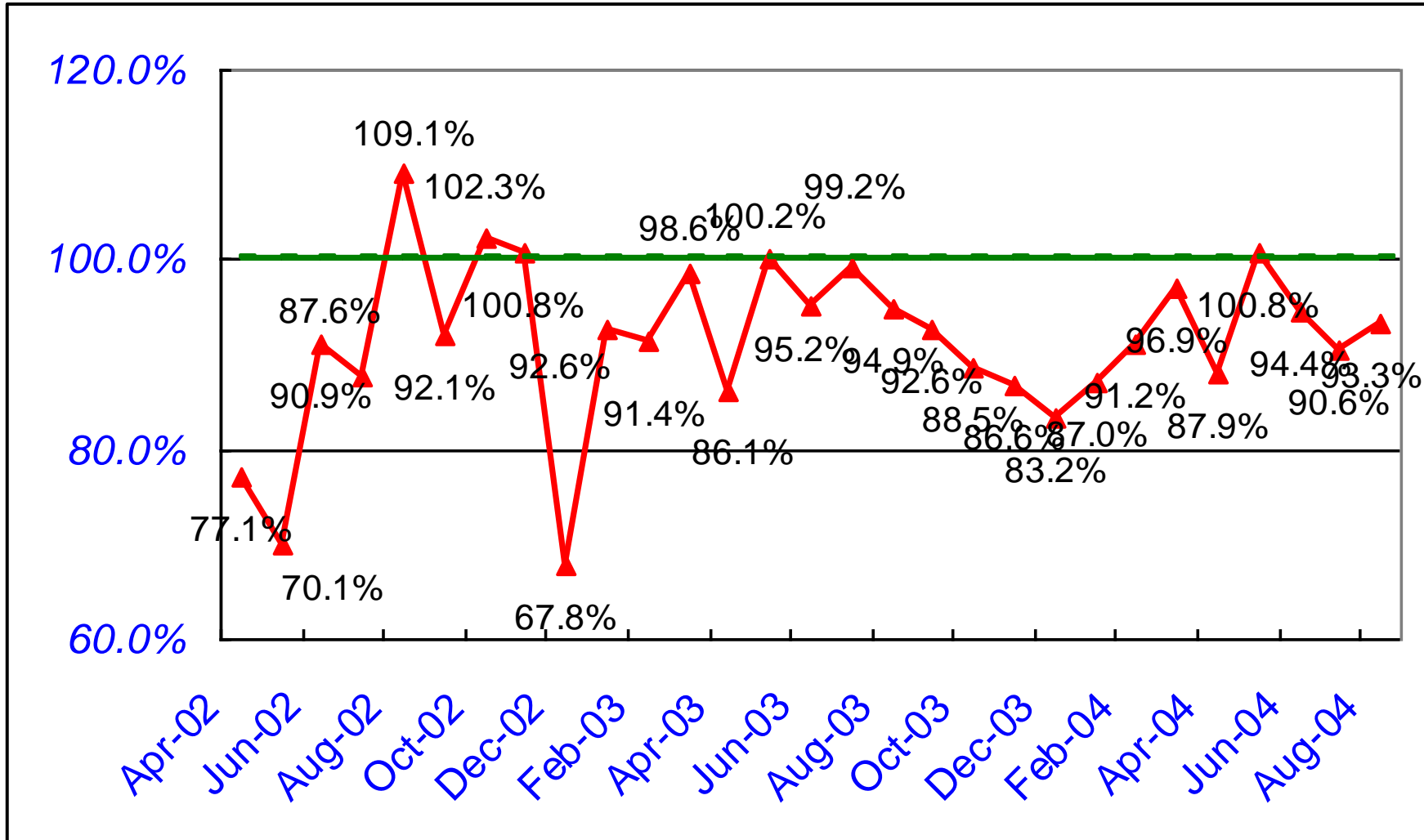


Vaisala EM Delivery Process

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VIN Sales Planning Accuracy

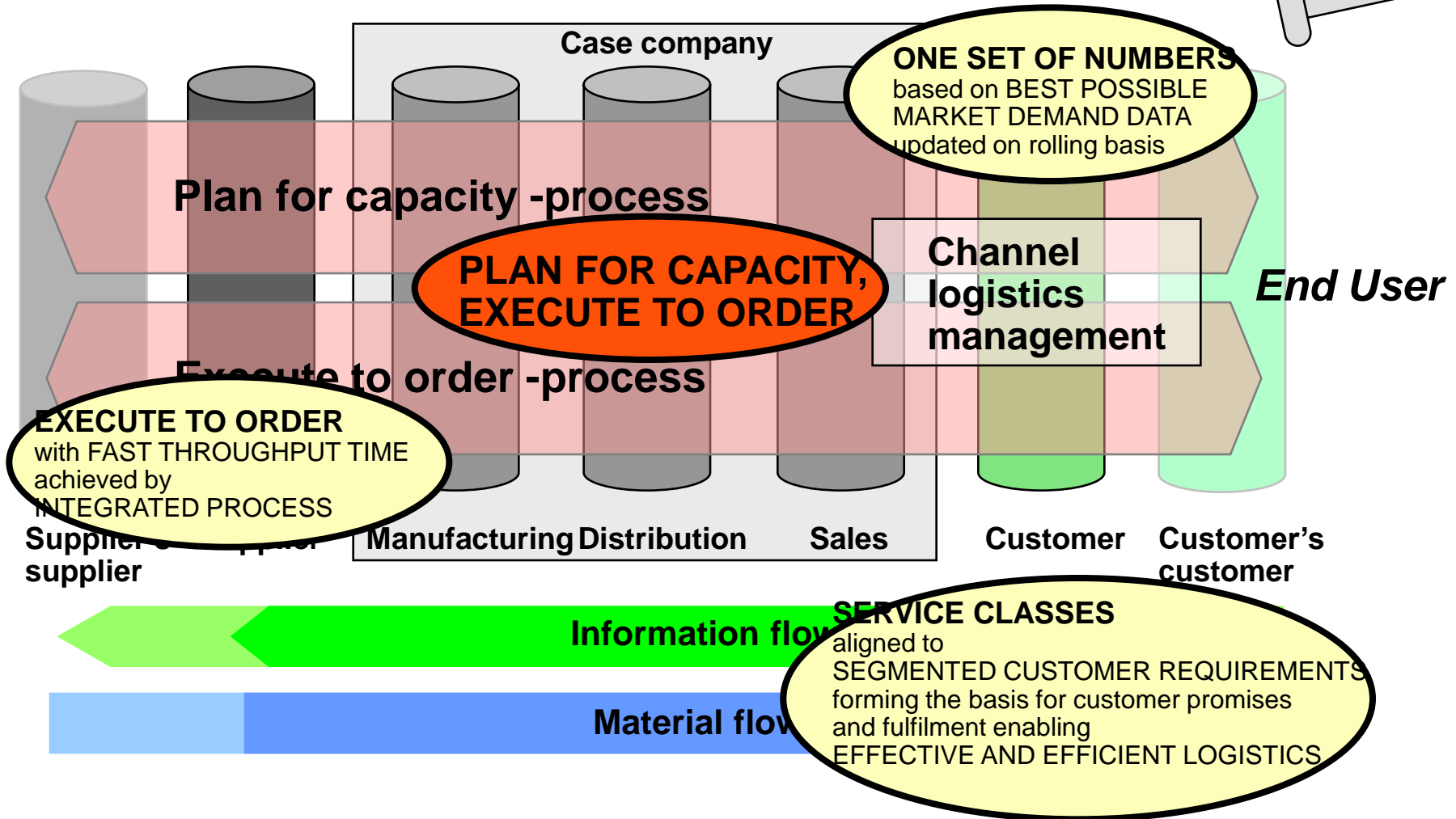


Demand Chain Management

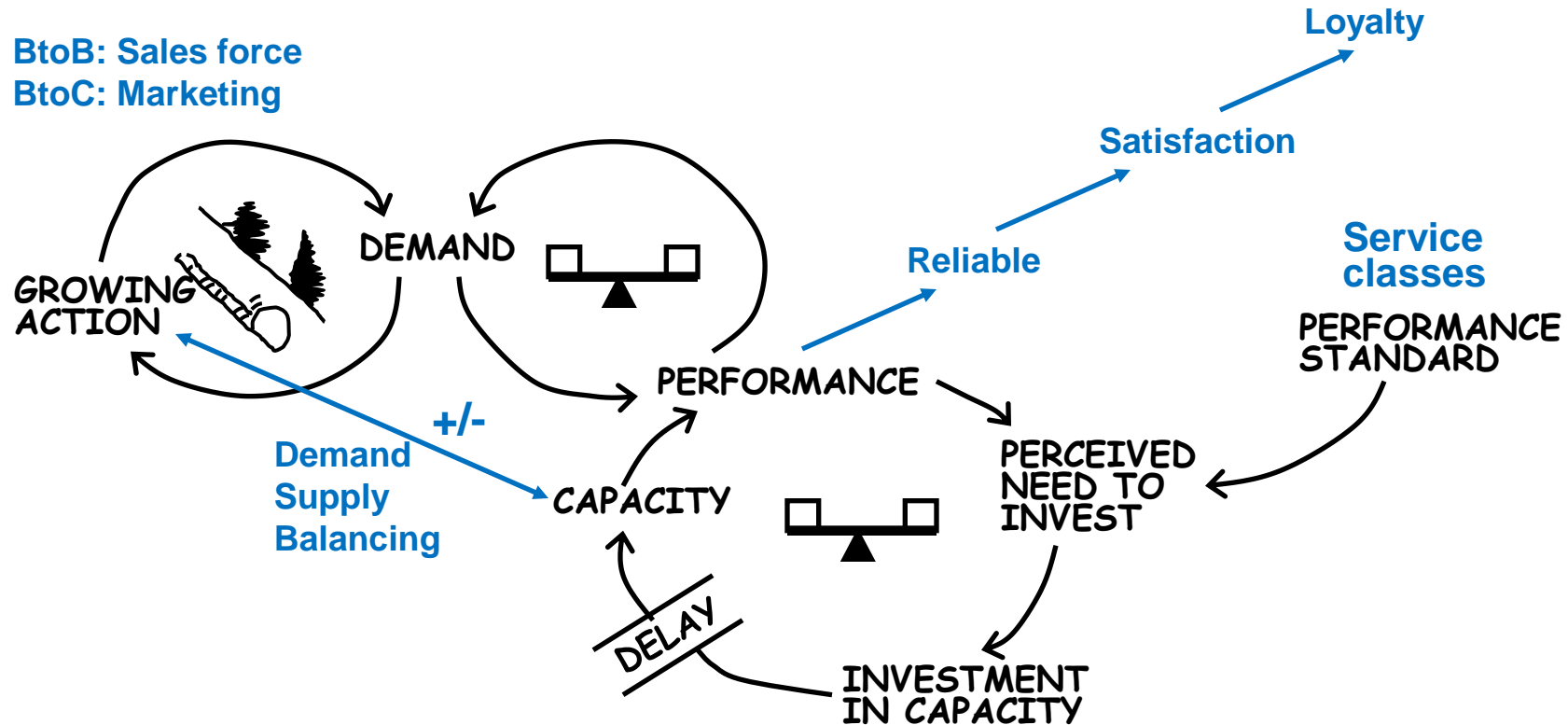
Key elements of Integrated Demand Chain



CASE:
Demand Chain Management



Growth and underinvestment



Source: Peter M. Senge: The fifth discipline
Vaisala Instruments: Sales Planning process

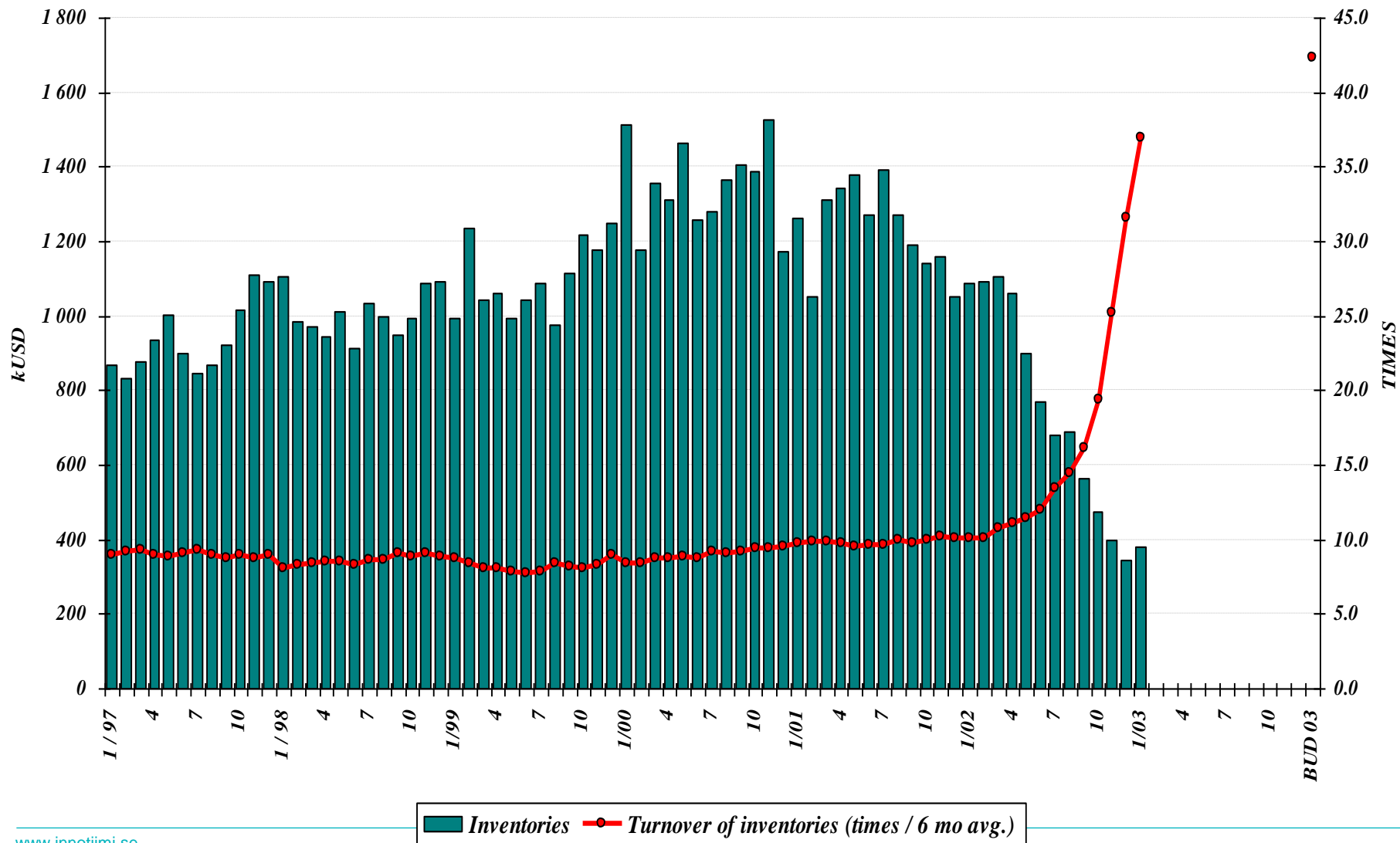
Inventory Carrying Cost



Inventory carrying cost is generally computed by multiplying the carrying cost percentage by the average inventory value. (Bowersox, Closs)

Factor	Case A	Case B	Case C	Case D
Capital cost	5 %	5 %	5 %	5 %
Price erosion	5 %	5 %	25 %	25 %
Obsolescence	5 %	25 %	5 %	25 %
Warehousing	5 %	5 %	5 %	5 %
Total	20 %	40 %	40 %	60 %

VIN inventories



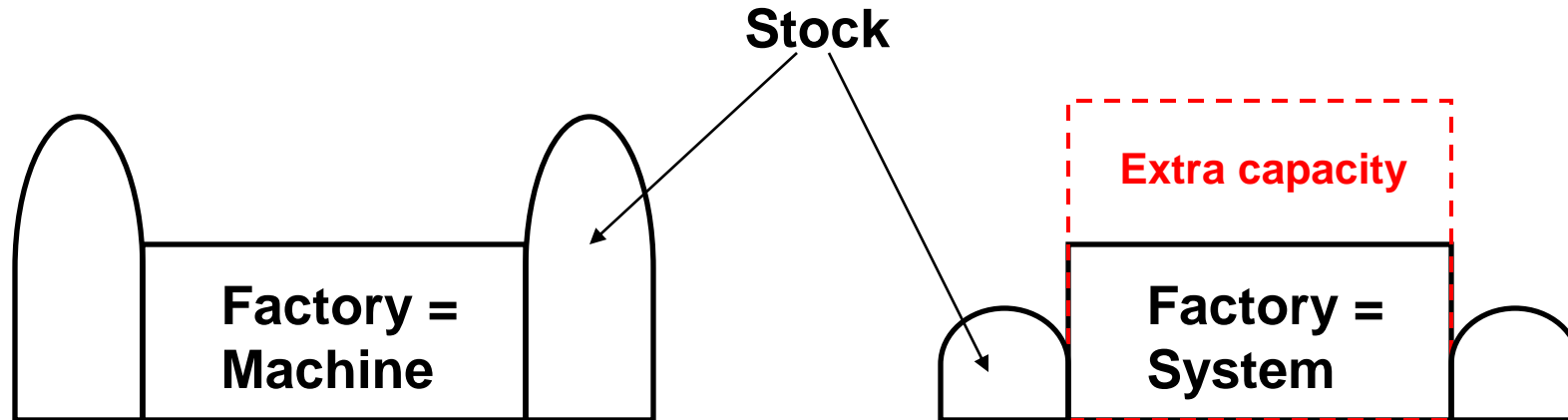
What is the question?



Precise world - every product has its own FP

No good tools at the moment

- capital tied up
- investment increment



- How much money we needed for a product PRODUCED

- Precisely wrong answers

- How much money we needed for a product SOLD

- Somewhat right answers



- **Bonus system**
 - **Process measurements - Sales Planning Accuracy**
- **Product price**
 - **Logistic cost - Capital tied up**