

# How full visibility empowers P&G's Supply Flow Analysts





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David Hamer,  
P&G's Supply Planning Program Director

With arguably one of the most complex supply chains in the world, The Procter & Gamble (P&G) Company has been facing the challenges of the consumer goods market. This has sparked a fundamental shift in P&G's approach to supply chain planning, evolving them from the pursuit of excellence among individual sections to establishing end-to-end visibility over the entire supply chain. "We learned that full visibility is crucial to keeping our supply chain healthy and resilient," says David Hamer, Supply Planning Program Director, based in Boston, MA.

### **Co-innovation: valuable solutions for previously unaddressed problems**

P&G's Supply Flow Analyst program also confirms the company's reputation for being an innovator and trendsetter. "Being at the forefront is in our nature," Kiwan affirms. "And that means that we're challenging solution providers to go the extra mile and co-innovate with us. That's one more reason why we're happy to work with OMP, because they're doing a great job of seeking to understand the problems that we're trying to solve."

"We're not dictating the solution. We want the OMP experts to be true consultants, coming up with valuable solutions for previously unaddressed problems. And they do. Some of these innovations will be integrated later in Unison Planning for Consumer Goods, but inevitably we also have areas where there's going to be some customization specifically for us. We have to admit that some of the requirements we're putting on the table are only relevant to P&G."

### **Procter & Gamble is truly everywhere**

P&G is organized into multiple business units, each managing a vast array of brands and dynamic portfolios of SKUs in demanding markets such as baby care, oral care, personal health care, shaving, and fabric care. Worldwide supply is fulfilled by a network of nearly 110 production facilities spread across the globe, which leads Director Supply Flow Planning Systems, Christian Labeck, to make the declaration: "Procter & Gamble is not just big, it's truly everywhere."

### **How the best-of-breed approach bumped up against its limits**

Unsurprisingly, it's a daunting task to plan these operations efficiently while assuring product availability all over the world and minimizing costs. Historically, planning was organized with what Labeck calls a best-of-breed approach: "We have a rich history of using the best systems available in dedicated functional areas such as raw material sourcing, production planning and scheduling, pack material sourcing, distribution, and so forth."



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***"Our best-of-breed approach had become increasingly difficult to manage due to the growing complexity of our supply chain."***

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"But because these systems provide inputs and outputs for each other, you inevitably create noise between them. And this has become increasingly difficult to manage due to the growing complexity within the supply chain."

## Weekly planning cycles are a thing of the past

Another factor changing the game is the greatly accelerated pace of the consumer goods market. David Hamer: "Today, our markets require us to react incredibly fast to changes in demand. E-commerce drives a substantial part of our supply chain. In some cases, we fulfill directly to customers based on orders coming in through a variety of mechanisms. And the products need to be shipped the same day."

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"If you look at China, for example, this applies to almost any product. There are also huge levels of customization to be addressed, for example promotions inviting individual consumers to select four or five products to be packaged and delivered together, at a special discount. Our planning has to be at the same pace. Weekly planning cycles are a thing of the past. We're planning in daily cycles now, or even per shift. We're constantly doing a full review of our planning based on the latest demand info."

## Integrating functions into a single value stream

In this new reality, the old functional approach to planning has come under pressure because system interfaces have become unmanageable.

"You simply don't have the time to synchronize the different planning solutions," explains Labeck. "I mean, production planners must have instant access to raw and pack material data, otherwise they're navigating blind."

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These insights led P&G to develop an entirely new approach to supply chain planning centered around Supply Flow Analysts, or SFAs. Hamer explains:

"The SFA concept is about integrating the previously separate planning functions into a single value stream incorporating raw material sourcing, bulk production, pack sourcing, finished goods production, and distribution to central and local DCs. And we want this value stream to be optimized as a whole, that's why we want it to be overseen by one single person, the Supply Flow Analyst."

## Synchronizing activities to avoid excess inventory or waste

A major consequence of pursuing this concept was that it exposed the need for a single integrated software solution covering everything from sourcing to delivery. P&G carried out a thorough market consultation and solution assessment exercise before choosing OMP's Unison Planning™.

"This solution covers the complete time horizon of our supply chain, from sourcing and site-integrated planning to deployment across the distribution network," confirms Amr Kiwan, a P&G Business Process Specialist based in Cairo, Egypt.

## Getting the right granularity level and implementing the right algorithms

P&G's ambition also includes extending the planning horizon from about 12 weeks to as much as 18 months. "This comes with significant challenges," Hamer explains. "Planning over such a long horizon means having to process exponentially more data. If you're trying to solve these equations the same way as you would over a short time horizon, you'll get stuck and never get an answer because you're lost in too much detail. So, we had to find a way to make the problem manageable."

"On an 18-month horizon, we're working with a rougher granularity, but not too rough. Monthly buckets, for example, would be too rough and unusable for us and our strategy. We've been working very hard with the OMP experts to establish the right granularity level and implement the right algorithms that allow the system to compute useful answers in a reasonable timeframe."

Kiwan points out that achieving excellence in supply chain planning often comes down to optimizing inventory levels across the chain. "If you're organized in functional silos, you end up creating buffers everywhere to be able to address volatility in downstream demand."

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"But if you're unifying the organization and you're planning all your activities with one fully integrated software platform, you can reduce these buffers and avoid excess inventory or waste. Having better visibility and access to smart optimizers means you can synchronize your activities better."



## Finding the sweet spot

Kiwan explains how optimizing inventory represents a big chunk of the SFA's work: "Our supply flow analysts focus on satisfying and maintaining the inventory positions we've decided are best for us, depending on the go-to-market strategy of the products and product families."

So, Unison Planning allows us to create reality-based production and deployment plans that consider phase-in phase-outs of products, production capacity, changeovers, transportation, lead times, and order sizes so that we can respect our inventory policies and still make sure the products are available for customers."

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## Planners become well-informed decision-makers

The organizational change also has a significant impact on the planner's role. Kiwan: "Previously, planners would waste a lot of time collecting and arranging data, using their own brain power and their own methods to draw conclusions as to what would be the best plan. The solution we're rolling out now establishes a much more standardized approach and is based on solid data and established methods."

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"Our planners have access to reliable data and a clearer view of what's happening with their products. Planners are now able to act as well-informed decision-makers."

## Agile implementation

The SFA program is being implemented with some agility. In a first stage, a number of pilots were set up, covering P&G's entire business landscape. Hamer explains: "We had around ten pilot supply chains, each with its own specific requirements. That allowed us to gradually integrate the functionality we needed, either using Unison Planning for Consumer Goods or by having them configure additional functionalities. We also used the pilots to train our staff and improve as we go."

"We're now preparing the roll-out of the solution to all our value streams. That's complicated because every plant and market has its peculiarities. So, we're implementing it region by region for the different business lines. That allows us to further finetune our various requirements so that we can be sure that it will work everywhere."

## About OMP

Hundreds of customers in a wide range of industries — consumer goods, life sciences, chemicals, metals, paper, plastics & packaging, tires & building products — benefit from OMP's unique Unison Planning™, an open, cloud-native, and AI-driven platform that embeds our deep industry expertise and offers real solutions for the challenges your industry faces.

A proven platform for all your supply chain planning needs, from demand to supply, from the strategic to the operational levels. A real solution that supports your journey toward autonomous, decision-centric planning. Built on 40 years of expertise.

Recognized by Gartner® for its leadership and vision, OMP helps you navigate supply chain challenges with data-driven insights, dynamic optimization, and sustainable decision-making, delivering real business value.

## About P&G

P&G serves consumers around the world with one of the strongest portfolios of trusted, quality, leadership brands, including Always®, Ambi Pur®, Ariel®, Bounty®, Charmin®, Crest®, Dawn®, Downy®, Fairy®, Febreze®, Gain®, Gillette®, Head & Shoulders®, Lenor®, Olay®, Oral-B®, Pampers®, Pantene®, SK-II®, Tide®, Vicks®, and Whisper®. The P&G community includes operations in approximately 70 countries worldwide.

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