

Project Driven Supply Chain - Problems and Solutions

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Introduction

Objectives of the session

- Why management of Project Driven Supply Chain (PDSC) is a challenge
- What is the Infosys Oracle PDSC Solution (new name for ISSRO)
- Infosys Role in PDSC

You will find a “hands on” session delivered by industry experts where:

- You will learn how to evaluate potential material shortfalls from your Supply Chain before committing on a large installation project
- You will learn how to mitigate risk on material shortfalls and provide feasible project fulfillment dates
- You will learn how to simulate different scenarios to optimize your current constraints (including materials real time status)
- You will learn how to project your revenue and margin in a reliable manner using your “real time” project situation (including material status) and management demands
- You will learn how to deploy an end to end visibility in your project portfolio execution in Global bases

The session is directed to Companies:

- With Global operations
- With significant number of projects simultaneously open
- With high material content

Products covered in the session:

- Oracle Primavera + Supply Chain Planning Solution (PDSC)

Overview

Today’s project driven supply chain (like that in Engineering, Procurement and Construction or in Medical Equipment supply chain) business environment has completely changed due to increased customer expectations with higher number of project executions in an increasingly technology-driven economy. Most of the Organizations in make-to-order/engineer to-order (MTO/ETO) manufacturing, engineering and construction industries face more unpredictable demand for projects with tighter due dates. Non adherence to project timelines resulting in penalties force the firms to expedite project activities and/or better secure material supply, which eventually demand a high degree of dependency and planning between material supply and project activities.

For such projects, material and resource supply often constrains the project schedules and affects the system-wide costs. Also, there has been greater shift of project activities from on-site to off-site supply activities (production, inventory and logistics); it becomes increasingly challenging and costly to manage the supply chain and its interface with projects. Added to this the overall visibility into the entire supply chain is too complex and limited by Technological constraints.

That's how supply chain decisions and project decisions are intertwined. It's like a chicken and egg situation, whether project schedule be driven by supply or the supply drives the project schedule. This is because the demand for the material supply chains is generated by the material requirements of the projects and the material availability constrains the starting times of the project activities. Typical scenarios that can result in this disconnect between the Supply chain and Project Management –

1. Equipments specification changes resulting in changes to project schedule
2. Supply chain disruptions resulting in delayed shipments impacting the project schedule

The need

It is best to have supply chain and project management work in harmony and make the best out of the information from each other.

The only way to address this challenge is to have a technology driven solution which can match the material delivery schedule and the project schedule in the most cost effective way and bridge the conventional communication gap between the two, and provide a common collaboration platform for project managers and supply planners.

There is also a need to jointly optimize project decisions (e.g. scheduling, resource planning and allocation) within each project and supply chain decisions (lead times) based on demand statistics across multiple projects, in order to coordinate material delivery schedule with project schedule in the most cost effective way.

The Solution

In order to achieve a complete orchestration, a robust integration between supply planning and project management functions should exist. This has to be established between the project management and supply chaining applications being used by the project driven organisations such as those in the Engineering, Procurement, Construction Industry, Medical Equipment Manufacturers and other Project driven manufacturing organizations.

Infosys with Oracle has developed this joint solution on a platform which can be deployed, independent of the ERP/supply chain applications. The solution comprises of the robust integration between leading project management application (Primavera) and the latest Supply chain engine (Rapid Planning) which can do incremental planning in quicker turnaround times. This combined with mass editing of source and planning data capability and a powerful productivity enhancing user interface can instantly assess the impacts of business changes without having to wait for your daily tactical plans to complete and your ERP to catch up.

Equipment delivery dates between Primavera and Rapid planning are synchronized through an interface, which enables any change in supply or projects function is accounted for planning in other function. Apart from maintaining the equipment delivery dates, Primavera P6 shall also comprise of revenue, cost,

and resource spreads and shall have entire project schedule with revenue milestones in terms of dates. Synchronization of dates between Primavera and Rapid Planning shall happen through “Reflection Plan” (copy of original plan) which will be merged with base plan if the dates synchronized with PRapid Planning are acceptable to the project manager. Reflection plan allows the project manager to run “what if” analysis without disturbing the base plan.

Embedded analytics, robust exception management, and a spreadsheet-style user interface provide predictive and actionable insight to identify the most profitable decision. In addition, Rapid Planning can be deployed in heterogeneous environments and co-exist with your existing ERP and planning systems

Agenda

Infosys will demonstrate various aspects of the problem areas and solutions in the presentation on 09th May 2012. This is the proposed agenda for the session

	Topics	Duration(min)
1	Introduction	5
2	Industry Challenges around Project driven supply chain(PDSC)	20
3	Project and Supply Chain Collaboration	15
3	Solution to address PDSC challenges	30
4	Solution demonstration on PDSC scenarios	15
5	Q&A	5

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