

# CASE STUDY:

## Nice Group - Thailand

Thailand's No1 apparel exporter, improves efficiency and customer satisfaction through faster and more accurate planning

### THE CUSTOMER

Nice Group Holding Corp., is one of the World's leading manufacturers of sportswear and has been Thailand's largest apparel exporter for the past 10 years.



They are a key strategic supplier to both Nike and adidas, producing 62 million pieces with around 16,000 employees, in 8 state of the art production locations in Thailand, China, Cambodia and Vietnam.

### WHY FOCUS ON PLANNING?

Changing customer needs was the key driver of the planning project, especially increased order fragmentation and reduced lead times. To cope with these trends Nice Group identified specific project goals to ...

- Improve both the speed and the accuracy of the order confirmation process
- Optimize both capacity utilization and at the same time achieve customer required date
- Achieve the reduced lead times and QR requirements without impacting capacity or delivery
- Ensure the planning process could support LEAN manufacturing with better scheduling and management of constraints and special processes
- Achieve all the above but without increasing staff and management workload. In particular improve the speed and accuracy of communication, coordination and reporting.

### THE SOLUTION AND PROJECT APPROACH

Nice Group's top management identified a number of Critical Success Factors (CSF) to ensure they would get the best out of FastReactPlan and ensure project timelines were achieved.

- A project steering committee made up of top management and the key process owner was established
- The team along with the help of the Coats Digital consultants highlighted business process areas that needed to change by studying the current way of working and comparing that to the best practice planning process
- The steering committee agreed an SOP (Standard Operating Procedure) that would ensure the entire business would maximise the use of FastReact Plan and ensure results
- Set up KPI both business and operational measures and regular monitoring to help management monitor the changes taking places and results achieved



### KEY FACTS

#### CUSTOMER

Nice Group

#### LOCATIONS

Thailand

#### CHALLENGE

- Improve speed and accuracy of order confirmation
- Optimize capacity and ensure OTDP
- Reduce lead times
- Support LEAN manufacturing
- Achieve while maintaining staffing levels
- Improve speed and accuracy of communication, coordination and reporting.

#### ROI

- Performance to plan improved from 80% to 91% over 2 years.
- Increase factory efficiency by 4%.
- Improve customer satisfaction.
- More than halved the planning time and effort.

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### THE SOLUTION AND PROJECT APPROACH (cont).

Nice Group started the planning project in March 2017, first establishing the SOP and then data interfaces to their existing ERP and production systems, then setting up the head office macro planning function and detailed planning across all 10 Thai factories. With the SOP proven and established the roll out to the overseas factories in Cambodia and Vietnam started in October 2017. The total project timeline to get all sites live was just 15 months.

### THE DIFFERENCE - BEFORE AND AFTER

**Khun Bird, Head of Nice Group's Centralized planning team based in Khonkaen** explains the first benefits were in establishing a more realistic and transparent planning process across the whole team.



**A much easier way to coordinate and communicate daily between head office and 15 factories was the first big benefit.**

*Before FastReactPlan the centralized Khonkaen planning team and the up- country production units each worked on their own files, It was a slow process to coordinate and we were only able to map the latest factory plans with the HQ plan once a month. The lack of visibility and long-time taken to plan and coordinate across the group meant that in the past we would often only find our problem in last minute close to shipment date so no time to solve the problem with effective solution.*

*With FastReactPlan in place the macro HQ plan and the detailed factory plans talk to each other automatically every day. So as a team we have much better visibility of both the long-term and immediate forward plan, more accurate and instant view of available capacity to balance high and low seasons considering lead time and delivery.*

*We are also updating and sharing progress against the plan every day, we get automatic alerts of potential issues, so if we produce faster or slower than target the planners proactively work closely with production team day by day focusing on problem solving and reducing risk by re plan based on the latest real situation.*



**Another very important difference is with FastReactPlan we can make a far more detailed plan in less time!**

*This means our team can now make a plan that is more realistic and achievable, we have the flexibility to move manpower across production lines to match style types and order size. We then are able to adjust the production schedule to it takes into account the frequency of style changes and the latest update our sewers skill which of course varies line to line and also by product types in every season.*



**Finally I would say the other critical difference between our old way of working and with FastReactPlan is the ability to apply LEAN pull system logic in real life.**

*We have been applying LEAN principles in our business for many years so we understood well the logic of PULL but in reality it was very difficult to apply in practice using spread sheets. In FastReactPlan PULL principles are built into the system so pre-production tasks like samples and pre sewing processes such as cut, screen print and supermarket are all connected to the sewing plan.*

*So automatically we have a clear picture and schedules of what needs to happen to meet the plan and if the sewing or delivery plan changes we know what else needs to change to match. This makes it much easier prevent bottle neck issues and keep the production lines running smoothly.*



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### THE RESULTS

Mr. Adisak Angsriprasert, COO at Nice Group explains what this has meant in terms of results and benefits to the business in 4 key areas;

#### 1. PERFORMANCE TO PLAN IMPROVED FROM 80% TO 91% OVER 2 YEARS



*We have measured and tracked several KPI from the very start of the project. The first improvement we have seen is a more accurate plan.*

*When we started in 2017 our performance to plan averaged 80% after 2 years of using the system our team have been able to increase this 91% in 2019.*



80% → 91%

PERFORMANCE TO PLAN INCREASED

#### 2. PLANNING TIME AND EFFORT MORE THAN HALVED



*Not only do we now have a much better planning process it actually takes us less time than before. Our planning team have been able to reduce the time to plan each customer order drop from 1 week to 1-2 days per customer buy.*

*We have also greatly reduced the time we need for the weekly production review, we now have all the up to date information we need across 15 factories in front of us in one place so the meeting which would often take nearly all day now only needs around 2 hours, as we are just focusing on problems and solutions.*

*The FastReactPlan reporting tools are very powerful but care is need to set up clear objectives for each report and standardise the design across the business .*

*We estimate that we have saved 70% of planning time and 50% of manpower on emails / line chat communication.*



70%



SAVING IN PLANNING TIME \*

50%



SAVING IN MANPOWER COMMUNICATIONS \*

 FASTREACTPLAN

\*Estimated

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### THE RESULTS (continued)

#### 3. INCREASED FACTORY EFFICIENCY BY 4%



*Our planning team now have the tools and the mindset to plan to get the best production efficiency by focusing on getting similar product family running in longer period.*



*We have been able to successfully apply PULL system principles so we can then manage material supply to match the plan and also better control WIP thru the many pre sewing operations like embroidery, bonding and screen printing.*

*If we do face any problems the team can see them sooner and find and normally find a solution before it affect production flow.*

**As a result over the past 2 years since we started with FastReactPlan we have seen production efficiency increase by 4%.**



4%

**PRODUCTION EFFICIENCY INCREASED**

#### 4. IMPROVED CUSTOMER SATISFACTION



*Our two main customers are very focused on speed and getting the right product at the right time.*

*Our planning team now have much greater confidence when discussing capacity and committing to shipment dates with our buyers.*

*Our KPI show that our delivery promises to our buyers by individual PO are much more accurate than before and also if we do face problems, we are much quicker to report and react to the problems so our customers feel greater confidence in our partnership.*



**INCREASED CONFIDENCE IN SHIPPING DATES**

#### WHAT'S NEXT?

*We have seen with proper utilisation FastReactPlan and ERP are systems that can drive and support a better business processes and so we are committed to further digitisation to speed up the overall process and get more accurate information for decision making .*

*We continue to apply Kaizen (continuous improvement) to our existing systems and are currently in the process of implement SAP for some functions and of course will integrate that with FastReactPlan.*

*In future we expect to move towards FastReactPlan's automated planning tools and also implement real time production data capture in our factories.*