



## Case Study



### **PFW Aerospace GmbH**

Optimized processes for customer forecasts and cadences

- Automation in sales planning
- Seamless long-term forecasts
- Noticeable reduction of effort

**PFW** and suppliers to the aerospace industry benefit from the advance orders placed by aircraft manufacturers and can plan their own production at an early stage with the help of transmitted forecasts and production plans (cadences). What sounds like a blessing for many industries, however, presents suppliers with the challenge of making proper use of the additional information without getting bogged down in administrative work.

In general, production and sales planning in the aviation industry can be divided into three time horizons: The near-term horizon contains current customer orders. The subsequent period primarily contains the customers' demand forecasts (customer forecasts). Since in many supplier companies the customer demand forecast is not sufficient for corporate planning, procurement, and production processes, it is necessary in these cases to fill the more distant planning horizon with the suppliers' own forecasts (own forecasts).

The two major aircraft manufacturers provide their suppliers with delivery forecasts through supplier portals in the form of CSV files. Smaller ones, on the other hand, still often transfer planning data such as forecasts and orders in the form of PDF or Excel files.

### High manual effort

As is common in the industry, **PFW** therefore also receives a large number of customer forecasts via various channels and, after an extensive, time-consuming, and therefore error-prone manual preparation process, then transmits them in an adapted form to the SAP ERP system. To date, **PFW** implemented sales planning using Excel, within which the customer's forecast data was consolidated, analyzed, and adjusted if necessary.

### Error chains and incomplete transparency

The goal of the forecast analysis was to identify the largest deviations in the customer data. In addition, **PFW** checked in planning whether the incoming customer orders matched the forecast data. However, due to the large amount of data, only a limited amount of data was checked, as the manual effort massively exceeded staff capacity.

The random checking of customer forecasts, some of which were known to be incomplete, entailed the risk that not all errors in the forecast data would be identified and the resulting incorrect forecasts would be passed on to procurement and production. Similarly, there was a risk of insufficient delivery readiness or excessive capital tied up in inventories.

**PFW** therefore needed a solution to solve the above-mentioned problem areas in forecast planning and to establish a complete 24-month demand planning for all customers.

### About...

**PFW** Aerospace GmbH has been one of the most important aviation companies in Germany for more than one hundred years. The company is the world market leader in the field of piping systems in aircrafts.

The full range of services also includes structural components such as the belly fairing, pressure bulkhead, pressure floor, girder structures, RAT frame, inner landing flaps, light band covers, ram air outlet, APU compartment as well as fuel tanks.

**PFW** Aerospace GmbH employs around 1,800 people at its sites in Speyer (Germany), Nuneaton (UK) and Izmir (Turkey).

- 67346 Speyer, Deutschland
- Aerospace components manufacturer
- [www.pfw.aero](http://www.pfw.aero)

To escape the vicious circle, **PFW** decided to improve the order fulfillment process with the help of a standardized sales planning tool. All customer forecasts were to be consolidated and processed in this system and the transparency of incoming customer forecasts was to be increased. The focus was on:

- Consistent demand plan for rolling 24 months across all precast elements
- Elimination of data transmission errors and data processing errors
- Processing and display of CSV data up to Excel tables
- Identify gaps in customer forecasts and close them as automatically as possible
- Flexibility and support through early warning functions and notices
- Reduction of control processes to a minimum
- Integration of optimized forecast values as planned independent requirements in the SAP system

### Automation raises quality and brings relief

At **PFW**, DISCOVER now communicates with the SAP system via configured standard interfaces. The standardization of the sales forecast was a focal point of the project. Through the standardization of forecast formats and interfaces, all forecast data is now read into DISCOVER and displayed as consistent material number-specific time series over short-, medium- and long-term planning horizons.

All forecasts and customer orders can be displayed transparently up to an aggregated monthly basis or in a daily grid graphically and in tabular form per material. When the sales planner is checked manually or supplemented, data is transferred to the SAP system as planned independent requirements.

#### Personas

*„The planning effort was noticeably reduced, and the focus of the sales planners' work could be shifted from the extensive and sometimes error-prone manual preparation of number series to their intelligent interpretation, checking and supplementation. “*

- **Marie-Catherine Peressini**  
Head of Sales Planning  
at **PFW** Aerospace in Speyer

In order to achieve a uniform 24-month planning period for all finished products - irrespective of the quality or range of the customer data provided - **PFW** has developed a uniform procedure for calculating the demand plan, or "in-house forecast" for short. A key element in determining the in-house forecast is the calculation of usage probabilities for the individual finished products on the basis of the aircraft manufacturers' cadence plans.

The "gapless" forecasts of the customers generated in this way were set as gross or net planning depending on the structure, depending on whether the forecast data had already been adjusted for the customer orders or whether time series of the order dates and the forecasts overlapped.

### 24 Monthly planning and transparent demand situation

Sustainability in planning is provided by **PFW's** continuous controlling, which also serves to monitor the forecast data. Automatic warnings are issued at an early stage if forecasts are missing or drop unexpectedly. DISCOVER also offers extensive reporting options as well as an integrated module for pivot analyses and presentations.