



REFLEX PLANNING SOLUTIONS

CASE STUDY

on CHRISTY

Full company name	Christy
Parent company	Welspun
Region (s) of operation	UK
Vertical industry	Textiles
Horizontal industry	Manufacturer
Turnover	£40m (UK)
Number of SKUs	5500
Key business goal	Achieve accurate Forecasting system
Results achieved:	
Accuracy	improved by 25%
Inventory	reduced by 15%
Service level	maintained consistently at 98%

CHRISTY DEPTH OF HISTORY

Chances are you didn't give the slightest thought to Henry Christy when you dried yourself off after your shower this morning, but you actually owe that nice warm feeling to him and his brother Richard who patented a machine to produce terry towelling on a large scale after they first came across loop pile fabric during a visit to the Palace of the Sultan in Constantinople in 1850.

The first Christy towels were shown in the Great Exhibition of 1851 at Crystal Palace, where a set was presented to Queen Victoria who, it's reported, liked them so much she immediately ordered more.

157 years on from the brothers' discovery and subsequent development of the world's first patented machinery to create loop pile, Christy is now recognised as UK towel



brand-leader and still strives to be innovative – proving to be the first UK manufacturer to introduce other natural fibres such as silk, micro modal and blends of these fibres.

In January 2007, the company also became the first towel company in the UK to introduce a Fairtrade collection into its range, using 100% Fairtrade combed cotton, sourced directly from farmers in India at a fixed price, ensuring a stable and regular income.

THE PROBLEM

With a range of products stretching to over 5000 SKUs including bath towels, beach towels, robes, bed linen, bedroom accessories, duvets and pillows, forecasting had become hugely complicated and not very accurate and in 2004, Christy looked around for a workable solution to a forecasting issue that had become cumbersome, inflexible and potentially damaging.

They found it in Reflex Demand Planner.

Despite notching-up a UK turnover of around £35.5 million, the company's all-important forecast had traditionally been prepared manually, based on spreadsheets and reviewed and updated only once or at best twice a year, exposing the company to the potentially fatal risk of being unable to react instantly and dynamically to changes in the market.

Using a slow, over-loaded process, which was largely inaccurate and relied heavily on guesswork, figures were generated at an aggregate product range level and historical sales splits then had to be manually applied to determine the required product mix.

Further problems emerged at Sales and Planning levels where managers found forecast development time-consuming and ineffective, not least because there were no in-built mechanisms to feed the results into future plans.

The result was a conservative plan that relied heavily on the flexibility of the local manufacturing facility near Manchester to adjust its output levels to meet changing requirements based on short-term – and generally rough-cut estimated – projections

THE REFLEX SOLUTION

The chief attraction of Reflex Demand Planner was its easy-read, straightforward interface and in-built versatility to be scaled up or down according to the seasonal

demand pattern of each range. It was notably different to other tools and a key factor in its selection was its in-built ability to produce highly accurate and intuitive graphs.

“We liked their comprehensive set of features, combined with a modern design all at a sensible price” Janet Hassall Planning Manager.

“The requirement was for a tool that was certainly sophisticated, yet easy to use. We’d been offered the all-singing, all-dancing solutions with price tags to match, but what we really wanted was a program that was not over-complex– a factor to be reflected in the price – and above all, user-friendly”.

PROJECT IMPLEMENTATION

Over a three-month period following award of the contract, data was gathered, cleaned, and scanned into the system in an implementation exercise described as ‘smooth and timely’, and despite a transition period marked by some teething problems largely stemming from user error, the first results indicated that every expectation from the new tool was going to be met.

Like its unsophisticated and cumbersome spreadsheet predecessor, Reflex had produced a complete set of forecasts for the year – *but with the clearly-defined advantages of being dynamic, accurate and above all, easily revisable every month.*

The resulting forecast was on-course both to feed into the procurement process and to provide a long term strategic plan, but just then, a major switch occurred – starkly underlining the critical need for up-to-the-minute accurate figures and dynamic ‘on-the-fly’ planning...

Christy’s new parent group Welspun took the significant decision to transfer manufacturing to its Indian facilities – a move set to cut manufacturing costs by up to 70% but tempered by an extension of lead-times to 12 weeks while significantly reducing local control and flexibility and further wiping-out the ability to make late changes to plan.

The now robust and thorough forecasting process stemming from Reflex had become vital to the health of the business, but despite the complexities and potential drawbacks of this decision involving materials sourcing and manufacturing on a global basis, the system’s all-round robustness and versatility allowed the new scenario to be accommodated with minimal configuration revisions.

THE RESULT

A year on. Reflex Demand Planner still provides Christy with a monthly forecasting process that readily reacts to rapid changes in the market. The process is as automated as possible, allowing forecasters to input market activity and promotions, as well as measuring their accuracy, without recourse to advanced programming techniques.

As the process continues to develop and improve performance, accuracy across all ranges has now reached on average 85% with significant year-on-year improvements still being recorded.

By creating an accurate forecast at business level and then calculating the correct mix of SKUs, this data has become fundamental to Christy's success at both a tactical and strategic level. Results are also particularly notable when measured against a background of turnover near-doubling to £64 million.

Planning Manager Janet Hassall says she's especially impressed by the level of support and fast response to issues, while Christy Commercial Director Graham Naismith summed up the impact of Reflex as 'the first product of its kind that actually does what it says on the tin – if I can borrow someone else's phrase!'

As Rob Wildon, Reflex Product Development Manager says "...success is being able to have an accurate forecast that reflects the dynamics of the market in either direction, up or down. That's what Reflex was developed to do and that's what it does without all the frills and additions of other programs, most of which go unused.

"We aim to make the difference and that is precisely what we did, nothing more nothing less".