

# BLUE SKY Program

## Global Communication

### What is this and what does this mean for the business?

Colart is always seeking to offer the best to their customers and that is why a new program has been kicked off by the GLT: **Service Level Structural Improvement**. Increasing the service level leads to higher customer satisfactory and loyalty, stronger brands and automatically to more sales. As you may be aware, a cross-functional team within Colart has been working since February 2020 to define the scope of this program. The objective given is to '**structurally improve the current operations, commercial, financial etc... processes in order to reach short term Service Level rates given:**

Quarter 1 : 92 %  
 Quarter 2 : 92 %  
 Quarter 3 : 93 %  
 Quarter 4 : 94 %

As such the program will touch many parts of the Colart organisation is now called **BLUE SKY Program** (as we are aiming to a perfect BLUE SKY).

### What has been done so far?

1. A program team (see details below) has been allocated to represent all departments and to ensure we take into account all business expectations and requirements.
2. A kick-off meeting has been organised with the program team to identify the main areas for improvement to allow better service level rate.
3. Based on these first abundant inputs, we have decided to split the program into the 6 sub-projects below to 'Structurally Improve Service Level at Colart'. For each sub-project, sub-projects leads have been allocated to drive action plan and its implementation:

SUB-PROJECT	OBJECTIVE	LEAD
1/ Better understand the customers' expectations	Review the customers' expectations/acceptance in term of Service Level Agreement and define initiatives from Colart and customer side to improve	Margherita Imburgia
2/ Improve the demand process	Get a fixed and stabilised demand	Elise Barbot
3/ Improve the supply process	Have the right stock at the right time	Loic Chaumont
4/ Re-define the stock policy	Have the right stock at the right location	Loic Chaumont
5/ Strengthen the order management process in the US	Share best practices to improve in the US	Delphine Vaucois (Liz Ford will cover this role during her maternity leave)
6/ Develop a clear SIOP process	Better link supply chain and commercial	Marine Hammer

4. A clear action plan with deliverables has been defined for each of these 6 sub-projects.
5. A tracker is set up to follow up on progress made on all the deliverables for each sub-project and the Program team is meeting every 2 weeks to report progress and discuss main challenges/decisions needed.

6. Finally, monthly meetings have been set up with the Steering Committee (Gail Pasquier, Jonathan Spight, Toby Russel and Dennis Van Schie) to update on the project progress. Last one was the 9<sup>th</sup> of June and next one is the 9<sup>th</sup> of July.

### **What will be done next?**

The different sub-projects teams have defined action plan and deliverables in order to structurally improve service level. You may be contacted by the Leads to join these sub-projects team to support the reflexion and implementation. As a top-line overview, the main parts of the plans are:

#### **1. Better understand the customers' expectations**

Work with channel directors to receive service summaries / requirements of the key retailers in US and UK/EU and what competition is doing and:

- Re-define what Colart can promise.
- Define how to build strong relationship between the key customers and our Supply Chain.

#### **2. Improve the demand process:**

Re-define the forecasting process with the sales team for the standard items. (See Appendix 5 for more details)

Define the rules to capture promotions (recurrent promotional calendar & new promotions)

Re-define the forecasts process with the sales team for the NPD items.

Work with US sales team to define how to use the forecasts from customers (focus on Michaels forecasts first)

Work with IT to implement a collaborative platform to ease forecast review.

#### **3. Improve the supply process:**

- **At the DC Level:**

To review the Supply Lead time and the Planning Time Fence.  
To Facilitate the stock transfer between the DCs.

- **At the FACTORY Level:**

To implement a workload and capacity process review on a monthly basis for all sites.  
To identify the main production bottlenecks and opportunities and communicate with Commercial.  
To define a better way to manage the production priorities.

- **At the SUPPLIER Level (FG and Components):**

To review the supply lead time and define action plan to reduce the longest one.  
To identify the main critical component and define action to secure the stock availability.  
To secure that they have available capacity to absorb exceptional demand.

#### **4. Re-define the stock policy**

Validation of the current stock policy in place for the Finish goods.

Define the global stock policy for SF/ Components based on the current process in place in the factory (Make to Order/ make to Stock)

Review the stock settings for the manufacturing entities.

Define action plan to adjust/reduce the stock of components by challenging the suppliers.

Ensure there is a strong inventory process in place for FG and components.

## 5. Strengthen the order management process in the US

- Adapt the current **EU process to the US model:**

Design solutions to master the order process flow, based on the opportunities and the problems discussed.

Enlarge/adapt a large order analysis process for US big players \_ presentation of the large order analysis process implemented for International customers.

- Implement Best practices **across the warehouses** with good learning sharing.

## 6. Develop a clear SIOP process

Define and align on a clear process from demand to orders for the planned demand and define the ways of prioritising production when the manufacturing sites/suppliers cannot commit.

Define and agree clear process from demand to orders when exceptions (Large orders, unplanned promotions etc...) and define process for decision making/prioritisation.

Get the commercials on board and more aware of the process and the impact of not following it.

### **Who is working on this?**

A program team is meeting every 2 weeks to ensure the whole business is aware of the scope, aligned on the progress and action plan and can raise and solve any risks/challenges/opportunities. The people below represent you during these bi-weekly meetings, so please feel free to contact them directly if you have any specific inputs, questions or concerns you would like to raise. You can send your questions/comments as well to: [m.hammer@colart.co.uk](mailto:m.hammer@colart.co.uk)

**Program Sponsor:** Bruno Lebourdais

**Program Manager:** Marine Hammer

**Supply & Planning:** Loic Chaumont & Rich Johnson for US specific

**Demand / Forecasts:** Elise Barbot

**Customer Service:** Delphine Vaucois / Liz Ford & Amanda Hermann for US specific

**Procurement:** Charlotte Albert

**Manufacturing Sites:** Dominique Murzeau

**Warehouse DC9 & DC4:** Vincent Bondoux, Carlos Trejo

**Commercial (all CBUS except US):** Martyn Symes

**Commercial (US):** Margherita Imburgia

**Finance:** Liam O'Sullivan & Mark Triano for US specific

**IT:** To be confirmed later during the program

We now wish the best of luck to the team to drive the changes and succeed.

Thank you,

**Marine Hammer**

*Program Manager for BLUE SKY*