Nitto
Innovation for Customers

Using Connected Planning to solve the inefficient "bucket relay of data," vastly improving work speed and data accuracy

Customer Story

SOLUTION: SUPPLY CHAIN, FINANCE
INDUSTRY: MANUFACTURING

Since its founding in 1918, Nitto Denko Corporation has grown into a corporation that, as of the end of the 2019 fiscal year, has 28,751 employees, sales of 741 billion yen, and a network of 92 companies in 28 countries and regions around the world. They have expanded their business into several sectors including electronic devices, displays, automotive, and transportation. With this expansion, the demand on the company's business planning technology grew. Based largely on spreadsheets, it was inefficient, complex and nearing full capacity. Aiming to reform their work and renovate their IT infrastructure, Nitto Denko started a project using Anaplan that saw the organization adopt Connected Planning.

Anaplan

Company introduction

Nitto Denko Corporation

Nitto Denko Corporation helps their customers create value by constantly producing new ideas and products, summed up by their brand slogan "Innovation for Customers."

The group's backbone is adhesive and coating technologies. They develop and manufacture tape-related products for the general consumer, but also substrates used in electronic devices and all kinds of intermediary materials for products and sectors including automobiles, homes, construction, infrastructure, and medical applications.

Use case

- Connecting multiple work processes with core work and planning work to reduce inefficiency

Issues

- Core system keeping up with business expansion
- Reforming inefficient but essential work done in spreadsheets
- Achieving a one-number operation in real-time for planning work

Reasons for selection

- Reform in production environment achieved quickly
- Expandability for connecting multiple work processes
- System with outstanding operability and flexibility

Effects

- Cultivating local reform momentum
- Vast improvement of data accuracy and work speed


Background of challenges and initiatives

Starting in 2000, Nitto Denko grew rapidly, primarily in global business. The core system could not keep up with the expanding business, and work was repeatedly performed using dated technology and spreadsheets. This meant that data was often scattered across the business, making work processes more complex and inefficient. Overreliance on Excel also contributed to this inefficiency.

In the sector related to core work, they launched a work reform / IT infrastructure renovation project, aiming to achieve a single global business infrastructure. For work in the planning sector, which is the basis for management, their goal was a one-number operation in real-time. In the so-called "bucket relay of data," consistency with upstream and downstream work processes was difficult, and not everyone in the organization had access to the same data at the same time.

Why they chose Anaplan

Nitto Denko investigated several possible IT platforms to help them plan work more effectively. Their priority was a system that could be implemented quickly in a production environment and that could be expanded to cover other work processes. It was also important that they lose none of Excel's flexibility. With its promise of Connected Planning, Nitto Denko decided that Anaplan was the best solution for their needs.

*Overall picture and applicable scope for planning work*
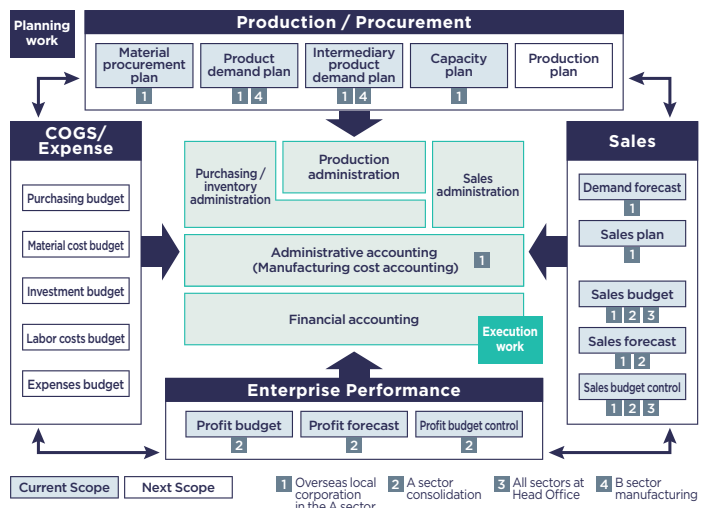
Divisions for use

Nitto Denko is currently working to reform four key areas of their business: (1) overseas local corporation in the A sector, (2) A sector consolidation, (3) all sectors at head office, and (4) B sector manufacturing. Each of these have adopted an agile approach to gradually develop and implement reform. Working in units for three to four months to implement the solution, they have now begun to integrate it into workflows. Even over this short period of time they have seen an ROI.

Promotion method

Nitto Denko's Corporate IT Division collaborated with Accenture and Anaplan Japan to establish an Anaplan Center of Excellence to help the company implement Anaplan across its different divisions. The team led efforts to encourage each sector of the business to draw up blueprints for integrating the planning work, to establish operation rules and guidelines that should be considered across cases, to gather operation know-how in actual work, to investigate measures for summarizing the impact, and to expand usage.

Overall schedule
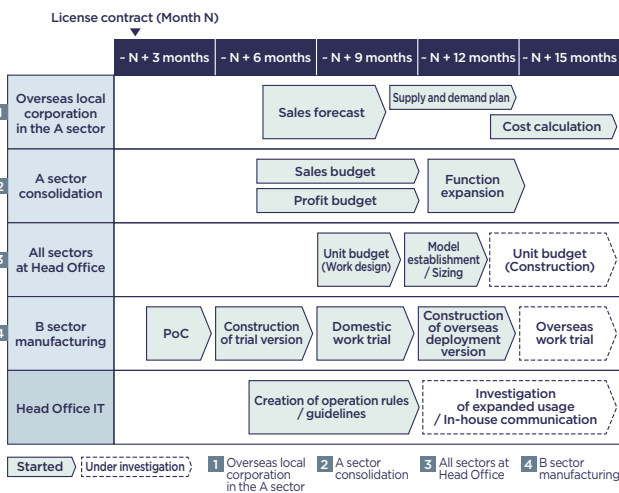

Initiatives and effects at each division

Of the four business sectors promoting reform, this example introduces "Overseas local corporation in the A sector" and "B sector manufacturing."

For the overseas local corporation in the A sector, efforts began with the construction of a platform for PSI (Production Sales Inventory) planning. As the first step, Anaplan created a mechanism for aggregating the demand information for each of the client's customers, enabling the collection of sales forecast data. Next, based on that sales forecast data, Anaplan suggested that the relevant teams create draft production plans based on capacity, and that they

draft material order plans by calculating the excess or lack of materials. The results were widely praised by those working on the ground and there are plans to expand the supported models in the future.

Parallel to the work reform, Accenture transferred skills to the local corporation's IT division to support the customer-driven operation. Accenture constructed new functions and reformed pre-existing functions that required complex processing. The local IT division gradually began handling matters for themselves, initially expanding the existing functions and moving toward mastering Connecting Planning.

Image of the sales forecast input screen
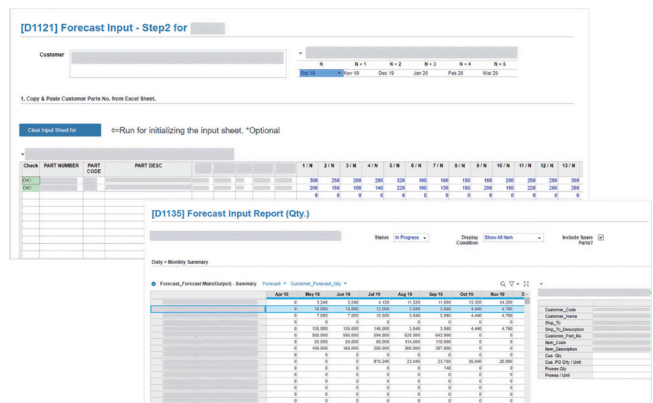
At the same time, the B sector manufacturing division reformed how they calculated and acted on the supply and demand plan for intermediary products. Based on the demand information from the sales division, Anaplan constructed a mechanism for calculating the required number of intermediary products far in advance, taking into account the BOM (Bill of Materials) and inventory information. This process began with products where both production and sales occur in one location. Once the benefits of this new process were observed, the scope of application was gradually expanded. As a result, reports show the following three benefits: 1) workers have to perform less time-consuming work in Excel, 2) operations are no longer dependent on individual workers with the switch to a one-number operation 3) inventory administration has been optimized, and it now matches fluctuations in demand.

The results were not only praised by local workers, but also received the support of management, and in the future, they will be deployed to overseas locations. The process revealed data issues at Nitto Denko that could be improved. Part of the master data relating to materials and processes required for the final product was not up-to-date. Moreover, they had not caught up on updating the work. It took time to identify these issues, to clean the data and to resolve them, and it has made clear to the client that maintenance of the master data needs to be an ongoing priority.

Image of the intermediary product supply and demand confirmation screen

- Improve PSI calculation accuracy by using BOMs
- Decrease work hours for data collection by workers by centralizing necessary information
- Improve master accuracy / inventory accuracy through (slow and steady) data cleaning

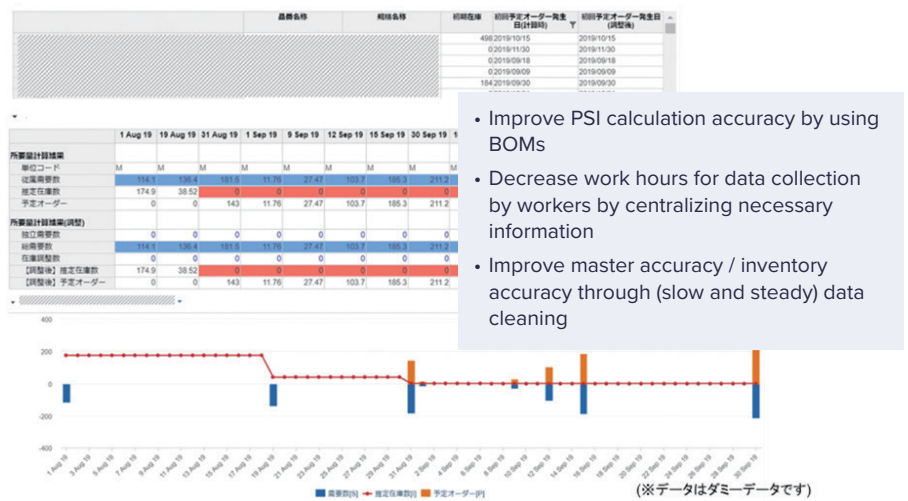## Reflecting on progress so far

Growing reform momentum
The trial began on a small scale, but in a short time Nitto Denko achieved multiple successes through agile development. This was extremely effective in cultivating local reform momentum. Demonstrating the benefits of the process and expanding the scope of work increased the motivation of workers on the ground and within the organization. By expanding the scope of the work and by involving more members, the momentum of reform rapidly gathered speed. This points to one of Anaplan's main benefits: while it is a planning tool, it can be implemented by management without the need for on-premises computing infrastructure, ensuring that results can be obtained faster.

Improved data accuracy and speed
The initial aim of the implementation was to solve the inefficient "Excel bucket relay." But once initiatives began, the effects from improved data accuracy and work speed were vastly more significant.

Determining the scope of work
While the same could be said for any solution, it is necessary to carefully determine the scope of application based on the purpose for which Anaplan's solutions are being applied. Each situation will be different and will require careful assessment of factors such as if combinations with other solutions will be needed to accumulate and analyze massive amounts of data.

The future

Work is being done to combine Anaplan's solutions with other solutions, in addition to the extra improvement requests and function expansions in the four key areas noted earlier. Furthermore, the experiences and lessons learned from each division will be introduced to every other enforcement body and location, and this in turn will create the need for further improvement in planning work. In anticipation for expanding the scope of Anaplan's application, the IT division will focus on further improving IT governance, including organizing and enforcing design and operation policies, as well as organizing license administration and fee systems.

Anaplan accenture

Create business plans that are organization-wide, flexible and highly accurate

Reasons to use Connected Planning

"We can share data securely and without error, and all of our employees can check that data in real-time."

Nowadays, it's essential that corporations can adapt quickly to changing market conditions and that they have a coherent, organization-wide approach to data. But while this might seem straightforward in theory, in practice the larger an organization and the more people involved, the harder it is to achieve.

Break away from legacy planning technology

The rapid development of the digital economy, as well as the effects of ongoing disruption for existing businesses, mean that the business landscape is constantly changing. Indeed, for any business the future is extremely unpredictable. Sales for next week or next month cannot be accurately forecast, never mind sales for three months from now.

Businesses need to be able to detect and act on market changes as quickly as possible. This means they need to become agile organizations, able to immediately reform their sales, financial and production plans, as well as update their mid- to long-term business plan, according to developing trends. Standing in the way of this kind of flexible planning is the fragmentation of people, data and processes.

In many businesses, information such as the distribution of human resources, sales results, financial states, and the states of production and services is scattered across the organization. This creates a problem for the management and business planning divisions of an organization, who need this information to create company-wide plans and to make business decisions. At the moment, the standard procedure for collecting an organization's data and information in one place is to gather together data aggregated by each division using spreadsheet software.

This process is time-consuming, inefficient and prone to error. Requesting a report from each division wastes time and makes delays more likely. Once all the information is gathered, it can take time to integrate it. Furthermore, if organizations manually integrate the spreadsheets that were probably also created manually by each division, there is an increase in the frequency of input mistakes. Human errors such as omissions are almost unavoidable.

Rapid changes in the market require equally rapid responses. And the current methods for gathering information become even more susceptible to error the faster they have to occur. And errors can have a direct impact on business performance and shareholder profits. There have been cases of large, listed corporations having to make significant downward revisions due to an incorrect digit in the budget of a business plan.

Current methods are also a major security risk. The widespread use of email to share proposed budgets, business plans, and other sensitive information is extremely risky given the possibility of leaks. To ensure important information is handled securely, businesses need to break away from conventional planning, which is too reliant on dated technology like email and spreadsheet software.

Better planning technology produces better business outcomes

How do we solve these planning issues? One possible solution is Connected Planning, which enables you to practice planning that is organization-wide and flexible, yet highly accurate.

Connected Planning refers to a mechanism that automatically gathers, analyzes, and organizes data from each isolated division of a company and lets you look at the company-wide state of an organization. Information is displayed on a dashboard via PC or tablet to give the user a 360-degree view of the information needed to plan and make decisions effectively.

Anaplan provides a cloud platform that lets you easily implement this mechanism.

Using our cloud platform allows you to flexibly link various kinds of data involved in the planning of each division, from finance and sales to supply chain, HR, and marketing. This ensures that you can undertake organization-wide business planning quickly and reliably.

Unlike spreadsheet software, which is prone to input mistakes and delays, data on our automated and standardized platform is updated in real time, meaning the values are extremely accurate. With this comprehensive view, you can accurately see your current location (status) and select the path you want to head down (your plan).

Using a cloud platform protected by an advanced security environment removes the need to handle and share important data by e-mail. Not only does this improve compliance, but it also enables you to share information faster, drastically increasing the speed of decision-making.

In a survey on "The State of Connected Planning," implemented by Anaplan and involving over 1,000 management and business planning division members in 18 industries and 45 countries around the world, 92% of respondents answered, "better planning technology produces better business outcomes." By switching from conventional planning and decision-making to Connected Planning, businesses can much more easily adapt to change and seize business opportunities, no matter how drastically the business environment changes.

On the other hand, the survey also revealed that 81% of respondents still use spreadsheet software as their main planning tool, and that 72% rely on on-premise software in their planning. Clearly then, putting Connected Planning into practice ahead of other companies can give your organization a competitive advantage.

With its ability to enable highly accurate planning and decision-making based on integrated and accurate data, Connected Planning is sure to become a necessary mechanism in the future of business.

About Anaplan

Anaplan, Inc. (NYSE: PLAN) is a cloud-native enterprise SaaS company helping global enterprises orchestrate business performance. Leaders across industries rely on our platform—powered by our proprietary Hyperblock® technology—to connect teams, systems, and insights from across their organizations to continuously adapt to change, transform how they operate, and reinvent value creation. Based in San Francisco, Anaplan has over 20 offices globally, 175 partners and approximately 1,500 customers worldwide.

To learn more, *visit anaplan.com*

About Accenture

Accenture is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched experience and specialized capabilities across more than 40 industries—powered by the world's largest network of Advanced Technology and Intelligent Operations centers. With 513,000 people serving clients in more than 120 countries, Accenture brings continuous innovation to help clients improve their performance and create lasting value across their enterprises.

Case introduction at the Anaplan event, "CPX Tokyo 2019"