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Oliver Wight saves US Army \$4.5 billion on inventory with Integrated Business Planning

Oliver Wight has pioneered an Integrated Business Planning (IBP) program for the US Army Materiel Command, yielding dramatic reductions to inventory and saving billions of dollars. Achieving best practice for AMC in record time, IBP is now set to roll out across all military services.

The US military demands excellence in logistics. Army Material Command (AMC) is a 65,000-employee operation, responsible for logistics planning for transportation, sustainment, clothing, armament, and battlefield movements. Its role is to supply the parts and materials that keep the army's combat systems running. With a culture of ensuring soldiers are safe 'at all costs,' inventory optimization during 12 years of war in the Middle East presented AMC with a significant challenge. However, with operations in Afghanistan coming to an end, combined with the financial squeeze from government budget reductions, the organization had to reduce inventory and cut costs; after implementing its IBP (Advanced Sales and Operations Planning, S&OP) process, AMC has gone from logistics sub-optimisation to best practice within six months.

AMC is on target to cut inventory by \$4.5 billion by the end of this year, without any degradation in readiness. IBP also gives the command a 24-month future view of demand, and by leveraging its capabilities, AMC can see the potential for billions of dollars of opportunity cost savings well into the future.

Previously, AMC had limited forward view of inventory requirements and the IBP project revealed a potential overspend of billions of dollars, plus a ten-year inventory backlog. The IBP process was designed in five days and was fully functioning within eight weeks – one of the fastest implementations ever. As a result, AMC is well on the way to achieving its goals of reducing inventory by 22 percent and backorders by 30 percent, saving billions of dollars for the US taxpayer.

The next step is to implement Integrated Business Planning across all US military services, and for AMC to continue its journey to 'Class A', the globally recognized standard of business excellence.

"The AMC team is justly proud of what it's achieved and wants to get the good news out there," concludes Oliver Wight principal, Jim Correll.



Notes to editors

About Oliver Wight

At Oliver Wight, we believe sustainable business improvement can only be delivered by your own people; so, unlike other consultancy firms, we transfer our knowledge to you. Pioneers of Sales and Operations Planning and originators of the fundamentals behind supply chain planning, Oliver Wight professionals are the acknowledged industry thought leaders for Integrated Business Planning (IBP).

Integrated Business Planning allows your senior executives to plan and manage the entire organization over a 24-month horizon, while Oliver Wight's extended Supply Chain Planning and Optimization ensures your supply chain is designed and structured to deliver best-in-class customer service with minimal costs.

Using the Oliver Wight Maturity Model to pursue our globally recognized Class A standard for best practice will determine a tailored improvement journey for you to develop your organization's processes, and reach and sustain excellent business performance. With a track record of more than 40 years of helping some of the world's best-known organizations, Oliver Wight will help you define your company's vision for the future and deliver performance and financial results that last.

More information

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