



Case study

Taking optimization to the next level



VLISCO

SINCE 1846





After implementing the Quintiq Company Planner, Vlisco reduced its lead times by 50%. The next step of implementing the Scheduler, saw production increase by another 7% within just a few weeks. Since then, production continues to improve. With the two implementations, Vlisco is confident that it will be able to reach its ambitious goal of doubling revenue by 2015.



Fast facts

Business:	Design, manufacture and distribution of luxury fabrics
Top markets:	West and Central Africa
Size:	2,700 employees in Africa and the Netherlands

The customer

Since 1846, Dutch-based textile manufacturer Vlisco has been designing, producing and distributing colorful fashion fabrics. The company initially focused on the Dutch and Dutch-Indonesian markets. By the end of the 19th century, the West African market experienced development and became Vlisco's primary market after the World War II. Today, Vlisco is an undisputed market leader in Benin, Togo, Ghana, Ivory Coast and Congo.



The challenge

For a long time, planning was performed manually at Vlisco. “We were using a general weekly planning which gave us some insight into the first few treatments. After that, we’d wait and see how the planning would develop,” says Ron van Hout, Manager of Planning and Warehousing at Vlisco.

“However, with approximately 400 concurrent orders and 25 different treatments per order, this became increasingly difficult.”

The choice

Anticipating even more growth, “we started to look for a new planning and scheduling solution”.

“Initially, we shortlisted eight potential vendors. These eight suppliers were given a questionnaire relating to our business case. After evaluating the answers, three potential suppliers remained, including Quintiq.”

The three potential suppliers presented a demo, based on an extensive business case. “Quintiq came out first,” says van Hout.

“An important reason why we selected Quintiq was the company’s supply chain planning and optimization approach. The other parties were offering software. Quintiq offered a 100%-fit solution to our problems. In addition, Quintiq had studied our business processes in depth. We were also impressed by the company’s excellent user interface.”

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Implementation

“The Quintiq solution was remarkably easy to implement,” says van Hout. “We only needed to adjust a few processes. The Quintiq platform is also very flexible. We work with knowledge tables that contain specific planning information and parameters including machine data. These tables are maintained in Excel spreadsheets. We can easily import the tables into the Quintiq system. As we are able to maintain the tables ourselves, we save time and money.”

Quintiq consultants also worked closely with Vlisco to conduct change management. Planners were more receptive once they were made aware of the benefits of improved transparency and of having a more complete overview of the supply chain.



“The combination of the Scheduler and Company Planner helped us in reaching production volumes in November 2012 and to a record-high output of 733,000 yards in week three of 2013 and is still rising. I’ve worked at Vlisco for 24 years now and have never seen anything like this before.”

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The result

After implementing Quintiq’s supply chain planning and optimization (SCP&O) solutions, Vlisco reduced lead times by 50% as the company could create plans based on finite capacity.

“Before the Quintiq implementation, it was possible to exceed a machine’s capacity by more than 150%. Today, this is no longer possible. As we work with finite capacity planning, it is impossible to plan orders that will get stuck somewhere in the manufacturing process. Quintiq has enabled us to reduce our lead times substantially.”

In addition to reducing lead times, improving delivery reliability was a high priority for Vlisco. “We also succeeded in that area,” said van Hout.

“For a long time, our delivery reliability was between 50% and 60%. This has improved to 80% and sometimes 90%. With this high percentage of delivery reliability, we can make sure the containers to be shipped to Africa are optimally filled. This has boosted our efficiency and improved customer satisfaction dramatically. In this way, we can live up to our reputation as a market leader.”

Van Hout points out that internal acceptance of the SCP&O solution grew as the advantages became clearer. At the start, some employees had their doubts but soon, they had to acknowledge that the system works and that Vlisco benefits from it. Their positive experience with the Company Planner paved the way for acceptance of the extended solution. Ultimately, implementation of the Scheduler was welcomed – even enthusiastically – by the production department.



Going even further

The dramatic improvement in delivery reliability was a significant step forward but it was still not at the level Vlisco required. In order to close this gap, Vlisco decided to implement the Quintiq Scheduler. It went live in October 2012 with the goal of achieving consistent delivery performance of 90% or higher.

Record-breaking production

After implementation of the Scheduler, the effects became apparent very quickly – Vlisco saw a dramatically higher delivery performance.

“Right before the Scheduler was implemented; Vlisco’s output was 630,000 yards per week. After October 2012, it was 670,000 yards. That’s an increase of about 40,000 yards – between 6% to 7% growth in just a few weeks. By week three of 2013, the output was 733,000 yards and still rising. I’ve worked at Vlisco for 24 years now and have never seen anything like this before.”

This, in turn, had a markedly positive effect on other KPIs such as those measuring delivery performance and customer service.

“KPI-based planning shows us the results of our decisions in real time. The combination of the Company Planner and the Scheduler gives Vlisco more insight into our production process and more visibility to make decisions about what is possible and what is not.”

“With approximately 400 concurrent orders and 25 different treatments per order, [manual planning] became increasingly difficult.”

– Ron van Hout, Manager, Planning and Warehousing at Vlisco



“We use the Scheduler to show the production floor the consequences their decisions can have. The production floor staff sometimes only looks at their own machines, to get the optimal planning for just one machine, but the Scheduler provides us with a perfect overview of the production flow instead of looking at just one machine. The Scheduler gives us visibility over the entire production.”

– Ron van Hout, Manager, Planning and Warehousing at Vlisco

A perfect fit

Van Hout is convinced that Vlisco can no longer manage without Quintiq’s SCP&O solutions.

“The manufacturing of colored fabric has many aspects of craftsmanship. This makes the process very complex with, for example, minimum and maximum waiting times for treated fabrics. As we have now incorporated all the steps into the system, production has to perform each step in the right way. It enables us to take the right actions at the right moments.”



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