



Service parts forecasting
and optimization — Integration of
SAP with MCA

DCAPS.

The Deloitte Consulting Aerospace & Defense Preconfigured Solution



Optimizing service parts networks

MCA Solutions' Service Planning and Optimization module (SPO™) helps companies fully realize the potential of their service supply networks by reducing unnecessary inventory while meeting performance metrics associated with Performance Based Logistics (PBL) contracts. However, executing sophisticated planning requires full integration with the ERP engine that manages the inventory, procures the parts, and manufactures the spares. Traditional models for managing spares can be cumbersome and error-prone, requiring significant manual entry to enable the tactical transactions necessary to optimize the network and meet contract commitments.

Through the Deloitte Consulting Aerospace and Defense Preconfigured Solution (DCAPS), Deloitte Consulting has created a PBL-centric integration between MCA Solutions and SAP to close the loop, increase data accuracy and significantly automate the thousands of make, buy, repair, transship decisions necessary to support the most complex Aerospace & Defense (A&D) Customer Service supply chains, allowing our clients to focus on what matters most – supply chain excellence.

Deloitte Consulting has significant A&D and asset-intensive industry experiences that includes supporting over 25 A&D companies with their SAP implementations to create an affordable, practical alternative for commercial and government organizations. Many of our clients have benefited from the accelerating tools that have been incorporated into DCAPS.

Why Deloitte Consulting for customer support, MRO, and performance based logistics?

The A&D Customer Support & Sustainment (CS&S) market is turning a new corner. Aircraft fleet managers are increasingly focusing on cost reduction and compliance, while commercial OEMs are looking for more top-line and bottom-line growth from global customer support contracts. Military service providers face the added complexity of developing and managing Performance Based Logistics (PBL) contracts. PBL promises great improvements in operational efficiency and greater value to customers. However with PBL the responsibilities and related risks increase for the PBL supplier, leaving most service providers struggling to develop the capabilities necessary to successfully win and execute new service contracts. The correct systems with PBL centric configuration provide the solution. With such a broad range of requirements in an environment where funds are scarce, where do service providers place their investment bets to derive maximum benefit?

Deloitte Consulting takes a value-based approach to maximize business benefit per invested dollar. We believe that SAP and complementary application offerings in Spares Inventory Forecasting and Planning, Performance Management, and Fleet Management offer significant business benefit to A&D customers. We continue to invest in building value-added solutions in our DCAPS environment – allowing our clients to achieve benefits sooner.

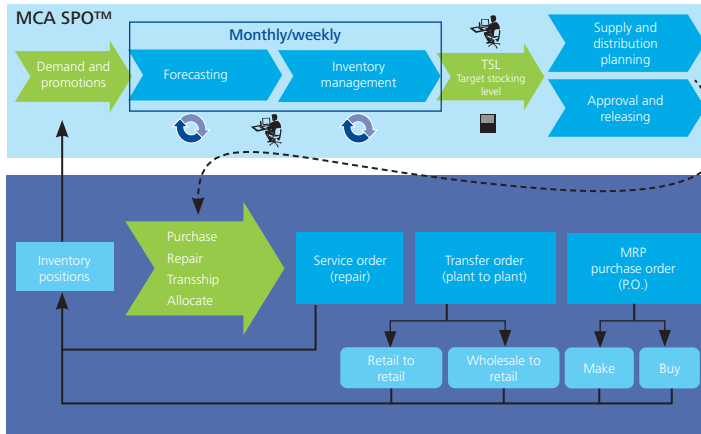
Why Deloitte Consulting?

Designated by SAP as a Global SAP Services Partner, Deloitte Consulting has been on the forefront of helping clients implement SAP for A&D companies.

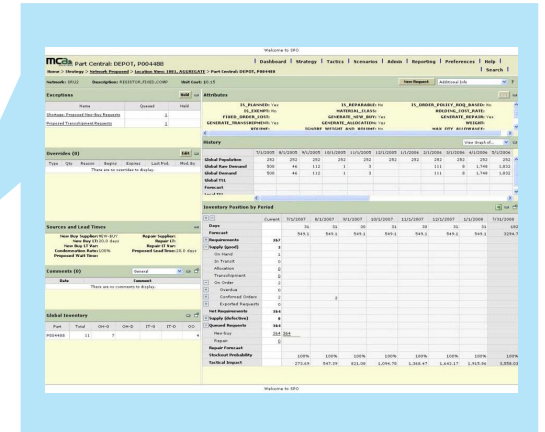
Our experience and capabilities include:

- Knowledge gained from serving 9 of the top 10 A&D companies
- A history that includes the first A&D implementation of SAP in North America
- More live full-scope SAP A&D implementations than any other consultancy
- Deep bench-strength with dedicated senior A&D practitioners
- Access to more than 5,600 dedicated SAP practitioners in more than 35 countries
- Multidisciplinary capabilities in regulatory compliance, audit, tax, human capital,
- M&A, strategy, operations improvement, supply chain, and enterprise systems consulting services.

Integrated service parts planning



DCAPS Fleet Management Portal



Old process

Non-value added time	React to changing demand <ul style="list-style-type: none"> Manually generate supply network plan Create forecast Determine economic impact of decisions Manually enter tactical transactions
Value-added time	Develop and monitor recommendations <ul style="list-style-type: none"> Analyze and prioritize requests Analyze whether Targeted Stocking Levels (TSL) are meeting contracted service levels Adjust plan

Old characteristics

- Labor intensive
- Error prone
- Sub-optimal future planning
- Demand and lead-time history not effectively integrated into plan
- Recommendations manually keyed into production and procurement systems

New process

Non-value added time	Manage planning master data <ul style="list-style-type: none"> Set service parameters for planning model Validate and update master data
Value-added time	Monitor system <ul style="list-style-type: none"> Review automated Target Stocking Levels (TSL) based on best-fit forecasting Analyze prioritized requests Accept/Reject/Defer automatically generated recommendations Refine model

New characteristics

- Proactive versus reactive decision making
- Manage risks not issues
- Total supply network performance visibility
- Automated integration of new buys, stock transfers, and repairs to the ERP system
- Greater visibility into the relationship between costs and service level
- Enforcement of repeatable business rules

DCAPS Service parts with MCA solutions

Key DCAPS process steps	Key questions answered
Run MCA and check recommendations	<ol style="list-style-type: none"> 1. What is service level planning and how does it drive parts planning decisions? 2. What is the Target Stocking Level? 3. What are my planning recommendations? 4. How do I manage them?
MCA and SAP integration	<ol style="list-style-type: none"> 1. What comes across from MCA to SAP? 2. How is this output incorporated into SAP? 3. How does this relate to supporting PBL contracts?
MCA and SAP integration	<ol style="list-style-type: none"> 1. SAP is performing which transactions/activities to support MCA decisions? 2. How are these activities found and linked to the MCA recommendations?

Contacts — Customer support and sustainment

**For more information about our MRO/PBL solution,
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