

The IBM logo is located in the top left corner of the image. It consists of the letters 'IBM' in a white, sans-serif font, with horizontal lines through the letters. The background of the entire image is a blurred photograph of a server room with rows of server racks and blue lighting.

IBM

How Novolex contains its timelines

Faster, better planning during turbulent change

by Deirdre Puleo

10-minute read

When restaurants, grocery stores or food suppliers suddenly change their plans, food packaging leader Novolex must be ready to adapt. But Violeta Nedelcu, Supply Chain Director at Novolex®, was struggling with the time it took to coordinate the company's multiple locations and various systems. "We had a very big gap between the sales plan and the production plan," she says.

The company followed an annual planning cycle where the sales and operations team finalized sales forecasts, budgets and needs for the



upcoming fiscal year. With multiple plant locations and ERP systems, some sites reviewed forecasts quarterly, some twice a year. Overall, the process was lengthy.

"It's really hard to say whether it was six weeks or three months, because it was different from site to site," Nedelcu

says. "We did not have up-to-date information to make sure that sites were producing enough volume without producing inventory unnecessarily." Nedelcu saw that the lack of current data also affected raw materials planning, production floor scheduling, machinery capacity and inter-plant logistics.

“We had a very big gap between the sales plan and the production plan.”

Violeta Nedelcu,
Supply Chain Director, Novolex

Supply chain
forecasts

83%

faster

Excess
inventory

16%

saved

Finding the right fit

To address its challenges, Novolex began by consolidating its various forecasting processes into one strategy. This model would serve as the basis for a consistent review, forecast and update process. With this unified forecast, the company could complete a full production plan on a monthly basis, projecting inventory and planning other activities for the business and its suppliers. Next, the company needed a software solution to support the process and a partner to help implement the solution successfully.

After assessing potential solutions, Novolex selected the [IBM® Planning Analytics](#) solution because of its readiness to connect the company's various systems onto



one platform. Novolex selected [IBM Cognos® Analytics](#) software to provide monthly and weekly site-level Simple Network Management Protocol (SNMP) reporting for engineering, marketing, sales and operations.

To implement the solution effectively, Novolex needed a partner that understood both the technology and the business. “It’s very important that the developer understands manufacturing, and understands the business overall, to be able to work alongside the business,” Nedelcu says. “So, instead of getting a system where you need to adapt the business around it, you get a system that is adapted to your business needs—one that makes sense for the users.”

Novolex called upon IBM Business Partner Converge Technology Solutions Corp. to help bring its vision to life. “By having someone from IBM available,



through Converge, to check in and address the questions that came along with development—we definitely haven’t had an issue or a roadblock where we didn’t have a solution,” Nedelcu says.

“The challenge was that their budgeting process didn’t have one platform or one tool where everybody had eyes on the same thing,” says Jeff Wong, Account Executive at Converge. “Everybody was just submitting

versions of spreadsheets, and they had to populate the numbers manually. It went through multiple iterations before they could budget and plan for next year.”

Novolex worked with Converge to resolve process bottlenecks, standardize metrics and ensure the optimal system design for deployment and adoption. With the solution in place, the benefits have steadily grown.

Delivering agility

With steady deployment and adoption across the company, the new solution reduced the six-week forecasting process to less than one week—an 83% reduction, even amid changes.

“One of our goals from the very beginning was to address the capacity,” Nedelcu adds. “This year, we’ve been able to improve our inventory position by about 16%.” That means the company is able to support the business with 16% less inventory than it maintained a year ago—especially notable in a year when food service turbulence has seen both grocery gains and restaurant losses.

“Having this tool, we are very quick to assess where we have available capacity



and to address the current market needs,” Nedelcu says. Instead of taking weeks, the company can now process data within a few hours, taking two days for analysis, discussion and review, and provide clarity on the available capacity to proceed with new products and to support the current market.

“Plus, sites have a consistent way of getting the information, and they know exactly what to build. So, there are efficiencies in terms of building the right product and having the right inventory on the floor,” Nedelcu says. “Having the visibility means being able to make better business decisions and understanding what’s required from a capital investment perspective. And we’re able to give them that, that visibility of what is available and what we can or can’t support.”

Nedelcu adds that “the ease of implementation, in phases, helped get



engagement from the users—it wasn’t a scary thing. Converge has definitely made the road easier. We’ve received all the support that we needed.”

“I’m a planner at heart,” Nedelcu says. “That’s what I’ve done all my career, and I’m very proud to implement

something like this—to get everyone in the business that I needed to give their approval to continue on this journey.”

And by embarking on this analytics journey, this food packaging leader managed to navigate this turbulent year with ease. Novolex can now

receive an accurate, timely view of what is happening at any given time through the IBM Cognos descriptive analytics capabilities. IBM Cognos also yields clear prescriptive analytics, recommending the best course of action when facing dynamic demand.

Now, Novolex is taking the final step. Since Nedelcu's supply chain team has become the company's trusted authority on forecasting metrics, the team plans to expand upon the system. The next phase would be to add in predictive analytics that consider a wider range of factors, provide more detailed forecasts and help clarify how the company needs to prepare for the future.

"Change happens every day, as we all know," Nedelcu says. "But with the most recent pandemic, I can tell you that if we didn't have the new process and a system to support it, I would have had a tougher time."

“I’m a planner at heart—and I’m very proud to implement something like this.”

Violeta Nedelcu,
Supply Chain Director, Novolex



About Novolex

Novolex develops and manufactures packaging and foodservice products for multiple industries ranging from grocery, food packaging, restaurant and retail to medical applications and building supplies. With more than 10,000 employee families, Novolex operates 61 manufacturing centers and administrative offices in North America and Europe, including two world-class plastic film recycling facilities.



About Converge Technology Solutions Corp.

IBM Business Partner Converge is a hybrid IT solution provider that delivers advanced analytics, cloud, cybersecurity and managed services offerings to clients across various industries. Founded in 2016 and headquartered in Toronto, Ontario, Converge has an annual revenue of USD 688 million with more than 800 employees at locations around North America.

Solution components

- IBM® Cognos® Analytics
- IBM Planning Analytics

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