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## AGENDA

1. Introduction to the Beier Group
2. Supply chain structure
3. The Problem
4. BBF Safety Group
5. Approach to problem-solving
6. Solution
7. Challenges
8. Final results
9. KPIs

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## OUR VISION

We are a Diversified Manufacturing Group who's vision and inherent intent is:

*"helping to protect and improve quality of life"*

± 2,000 employees  
10,000 lives in ecosystem

Industrialisation, Transformation and Development

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## OUR HERITAGE - 1929



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## GROUP COMPANIES



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### BEIER GROUP OF COMPANIES



More...



More...



More...



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# BBF SAFETY GROUP PRODUCTS

## PRODUCTION FACILITIES



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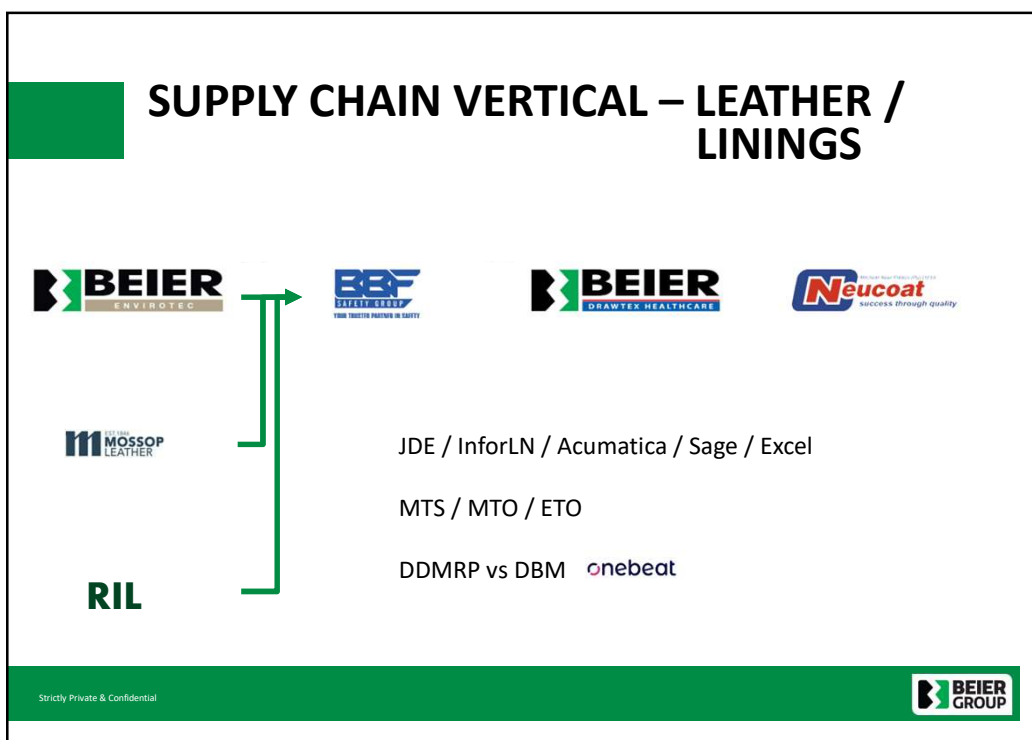


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## 02 SUPPLY CHAIN STRUCTURE

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# 03 THE PROBLEM

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## OUR BUSINESS - CONTEXT



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## OUR BUSINESS - CONTEXT



### Challenges:

1. COVID - 2020
2. Looting - 2021
3. Floods - 2022
4. Inflation
5. PPPFA, Localisation

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## OUR BUSINESS – GLOBAL SUPPLY CHAINS



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## NIKKI MASKS – SUPPLY AND DEMAND

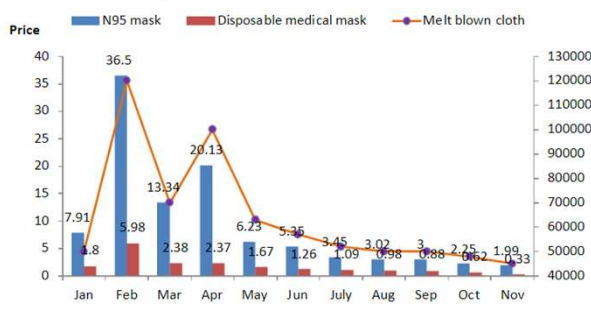
**Nikki**<sup>®</sup>

**DON'T LET THE FEAR OF PARTICLES LEAVE YOU**

Nikki's respiratory range offers certified protection options to suit your environment.



**Price analysis of masks and their raw materials**



**Figure 1. Changes in the price of masks and their raw materials**

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## SMALL & MEDIUM ENTERPRISES



Arena  
Silokotho  
Envelop  
Empowerment  
Group  
Cre8tec  
Ivili Loboya  
Siyaphambili



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## LOCALISATION OF TOPSOCK WOOL



- An empowerment success story
- Replaced imported wool with local wool
- Shortened supply chain

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## 4. BBF Group Procurement

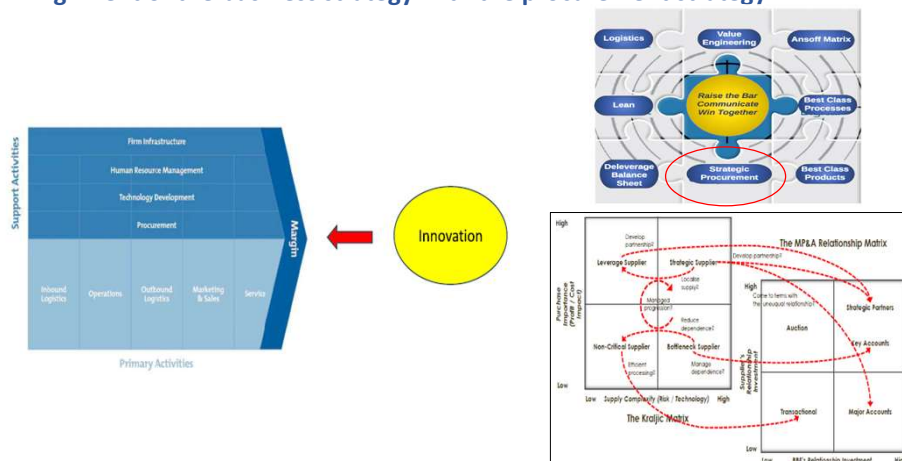
SAPICS Seminar

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### Procurement - Strategy

#### Alignment of the business strategy with the procurement strategy



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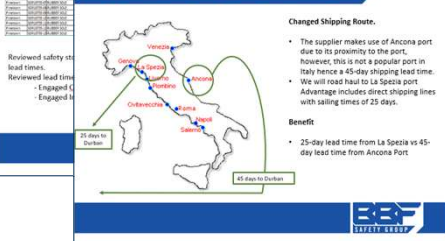
## Procurement – lessons learned

### Rubber Soles – Background

- Since 2020, it is increasing. Reps and following 3-month lead tracker (excel spreadsheet to a constant inf messages).
- Working within effectively satisfied were placed but used the supply report to work as procured as the accurate average

### Preventative Actions - JDE

### Preventative Actions - Shipping



### Background

- Increasing demand that was unplanned.
- Extended lead time from the suppliers.
- Working of the system resulting in unreliability.

### Corrective Actions

- Using the ERP system to interpret demand.
- Reviewed the logistics and transportation routes.

### Preventative Actions

- Quarterly review of JDE input parameters to improve the accuracy of buying signals.



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## Procurement – Supplier Engagement

	Leather Supplier	Footwear Trims Supplier	Toecaps Supplier	Packaging Supplier	Shipping Agent
Supplier visit	4 July 2022	28 July 2022	International Supplier	27 July 2022 BBF HO	12 August 2022 BBF HO
Ways-of-working	1. Orders issued in four week cycles with weekly call-offs 2. Reviewed order lead times. 3. Full visibility of BBF consumption	1. Full visibility of eight weeks forecast. 2. Arena Inventory management 3. Weekly meeting to review pipeline	1. Use MRP messages for long lead time items 2. 16 weeks firm orders 3. Only firm orders, no blanket orders.	1. Reviewed JDE lead time for all lines. 2. Visibility of 16-weeks forecast 3. 1-week firm orders with daily call-offs	1. Shipping tracker template 2. Alignment of ways-of-working a. eg. Direct-sailing of all FCLs 3. SOP 4. Engagement between Imq and our suppliers.
Alignment of expectations	1. Returns from BBF of non-conforming products 2. Transport costs 3. Handling fees on returns 4. Aging returns	1. Minimum order quantities 2. Lead times 3. Quality Assurance 4. Communication 5. Supply risk mitigation 6. Air Challenges 7. CMT upliftment	1. Full container loads (20ft - 100 000 toecaps) 2. Alignment of Kunshan and Imperial ways-of-working. 3. Pipeline visible to Imq and Kur 4. Kunz to keep SOH.	1. PE range to be delivered by Corru 2. Product engineering to improve turn around time. 3. Streamline process	 Agenda and minutes



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Procurement – Inventory Management

MNTH	Business Unit	Stocking Type	Pin Code	Comm PPGI	Item Code	Description	OnHand QTY	Monthly Ave Use	Current Safe QTY	Cover (Month)	Suggested Safety Stock	Suggested Safety Pack Size	Type	Leadtime Level	SSS Factor	Order Multiple	UM	Plan	Daily Ave Use
6	1250	P	2	INB	INB10699-06		752.00	33.33	100.00	22.56	34.00	100.00	RM	110	30	100	PR	INB	1
6	1250	P	2	INB	INB10699-07		2,700.00	266.67	700.00	10.12	267.00	300.00	RM	110	30	100	PR	INB	9
6	1250	P	2	INB	INB10699-08		2,300.00	416.67	800.00	5.52	417.00	500.00	RM	110	30	100	PR	INB	14
6	1250	P	2	INB	INB10699-09		3,100.00	666.67	1,100.00	4.65	667.00	700.00	RM	110	30	100	PR	INB	22
6	1250	P	2	INB	INB10699-10		1,300.00	166.67	300.00	7.80	167.00	200.00	RM	110	30	100	PR	INB	6
6	1250	P	2	INB	INB10699-11		1,700.00	100.00	200.00	17.00	100.00	100.00	RM	110	30	100	PR	INB	3
6	1250	P	2	INB	INB10699-12		548.00	41.67	100.00	13.15	42.00	100.00	RM	110	30	100	PR	INB	1
6	1250	P	2	INB	INB10700-06		382.00	37.00	30.00	10.32	37.00	100.00	RM	110	30	100	PR	INB	1
6	1250	P	2	INB	INB10700-07		-	28.00	-	-	28.00	100.00	RM	110	30	100	PR	INB	1
6	1250	P	2	INB	INB10700-08		1,100.00	61.67	100.00	17.84	62.00	100.00	RM	110	30	100	PR	INB	2
6	1250	P	2	INB	INB10700-09		987.00	115.50	100.00	8.55	116.00	200.00	RM	110	30	100	PR	INB	4
6	1250	P	2	INB	INB10700-10		2,736.00	10.17	100.00	269.11	11.00	100.00	RM	110	30	100	PR	INB	0
6	1250	P	2	INB	INB10700-11		858.00	51.17	100.00	16.77	52.00	100.00	RM	110	30	100	PR	INB	2
6	1250	P	2	LEA	LEA10372-BLK		74,672.00	25,770.66	30,000.00	2.90	25,771.00	27,000.00	RM	120	30	3000	SF	LEA	859
6	1250	P	2	LEA	LEA10382-BLK		-	6,918.31	-	-	692.00	3,000.00	RM	7	3	3000	SF	LEA	231
6	1250	P	2	LIN	LIN10676-B5L		1,164.05	152.19	261.00	7.65	153.00	174.00	RM	90	30	43.5	SM	LIN	5
6	1250	P	2	LIN	LIN10681-WHT		232.38	0.70	140.00	331.97	1.00	1,748.00	RM	90	30	69.92	SM	LIN	0
6	1250	P	2	PIG	PIG10721		625.00	62.50	500.00	10.00	63.00	75.00	RM	80	30	25	KG	CHE	2

Suggested Safety Stock (SSS) Cover Reviews

- Review of JDE input parameters; Stocking type, Import vs local, Stock vs Make-to-order (MTO), Safety stock quantity, lead time, etc.
- This is done to ensure the accuracy of messages (purchase orders).
- Builds trust in the system

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Procurement – Inventory Trends

Inventory: Stock Rotation - March 2020 - October 2024

Category	Percent Movement
<6 Months	40%
6 - 12 Months	-80%
12 - 24 Months	-75%
24 - 36 Months	-75%
>36 Months	-40%
Grand Total	15%

- Rationalization and standardization of raw materials
- Repurposing of aged and slow-moving stock
- Alignment between Sales, Marketing and Procurement on finished goods product run-in and run-out
- Timeous master updates.

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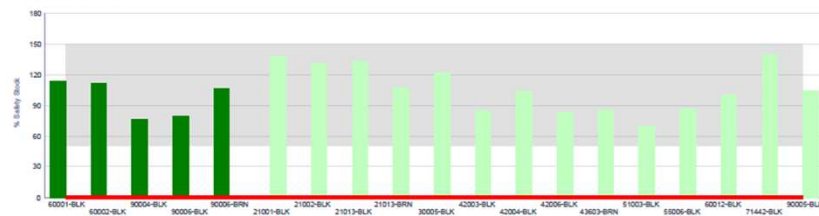
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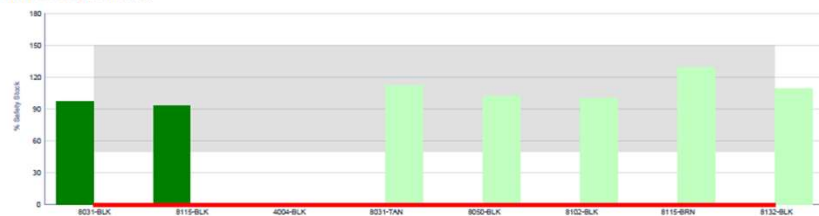
## Procurement – FG Inventory Trends

### 6. Stock Holding of Key Products

#### Pinetown (Green Zones)



#### Port Elizabeth (Green Zones)



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## Procurement – Lessons Learned

- System Maintenance – Master data updates should be done timeously and periodically.
- Emphasis on P2P Rules and Governance
- Alignment with stakeholders in the value chain to improve customer service.
- Resource allocation and building dynamic capabilities
- Implementation of processes that ensure traceability and repeatability

### Next Challenges

- Navigating port delays and macroeconomic challenges without impacting customer service
- Sustaining the culture of continuous improvement
- Enforcing discipline on system maintenance




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QUESTIONS ?

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QUESTIONS

QUESTIONS ?

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