Case Study - Waste-to-Energy

Client: Large Waste Management/ Waste-to-Energy Corporation

Business Challenges:

- Pursue growth given the relatively stable, low growth energy markets
- Manage the processing of new and higher-margin waste types in conjunction with more manageable and predictable residential waste
- Improve coordination across functions given sometimes differing priorities across functions
- Manage over an intermediate-term planning horizon, in addition to the tactical day-to-day
- Improve underlying business processes to enhance cross-functional coordination

Supply Chain Assessment and S&OP in a non-manufacturing environment that required full S&OP knowledge transfer as well as different thinking for this value chain.

Challenge

Our client is a large player in the waste management and waste-to-energy market. Facing a slow growth energy market for its output energy to defined channels, the company is seeking to meet ever-growing market needs for clean waste disposal while pursuing growth and enhanced profitability.

The challenge with the high-growth commercial (special) waste market is that these waste types usually release more energy per ton than traditional municipal solid waste. This creates a need to plan and mix the special waste appropriately with the municipal solid waste to maintain stable energy delivery and work within the design limits of the processing waste boilers (incinerators).

While a few leaders had experience with S&OP from other industries, most did not, and only a few on the project team possessed some level of S&OP awareness, but no experience.

Findings

Nexview was selected to assist the company because of its experience particularly in non-manufacturing environments. We quickly applied our subject matter knowledge to this value chain, but also challenged the group that many challenges were not all that different! They had to plan demand, balance capacity and integrate financial planning in a way that aligned functions around as single set of plans over an appropriate planning horizon, and managed by a set of KPIs that were appropriate for the audience and level of discussion.

Working with the internal continuous improvement group, we completed an assessment of supply chain processes and functions, the management system, as well as the enabling information technologies.

The assessment showed that while the team had some elements of S&OP, there was not a complete overarching process that structured the management of the business. The assessment also showed organizational gaps for an S&OP team as well as gaps in metrics and supporting processes (particularly demand planning) relative to what happens in other industries with more mature planning processes.

We identified a seven figure benefits case for two pilot processing facilities based on enabling a higher-margin waste type mix through S&OP.

Solution & Outcomes

Our solution has given the team a structure for introducing new waste types and managing the waste portfolio as well as the traditional demand management, supply management, and cross-functional S&OP components. The design is also scalable from the pilot locations to roll-up the network of plants across the US and other countries. We worked with the client to launch the pilot and transition the roll-out to the internal consulting team.

nexviewconsulting.com
info@nexviewconsulting.com
+1.800.631.4842

nexview