



A multi-billion dollar Food Processor partnered with Spinnaker to better manage demand in their unique multi-channel environment and to implement its advanced planning solution. Project goals included improving short and long-range forecasting and providing visibility into excess inventory via “age match” inventory across the network.

Some Direct Benefits:

- Increased forecast accuracy by 5%
- Reduced Excess Inventory by 10%
- Gained better visibility into seasonal demand
- Continued to exceed original project ROI even 3-4 months after completion

Talking Turkey: The Benefits of Accurate Demand Planning

One of the largest food manufacturers in the United States, Spinnaker’s client is a recognized names in poultry products. Given its reputation and leading position in the market, the company values freshness and food safety as its top priority. As a food provider, the company faces special business complexities, including highly promoted products, short shelf life, excessive inventories, distressed sales, and an extremely seasonal business. Management saw an opportunity to increase agility and gain visibility in their supply chain through better forecasting and demand planning. They partnered with Spinnaker to execute this vision.

The challenges were multi-faceted. Demand and inventory management needed to span multiple channels in order to increase visibility and agility, balance requirements from retail partners, and maintain value-add services such as vendor managed inventory. The company also needed to continue to deliver premium customer service to their partners and consumers.

The executive team partnered with Spinnaker to streamline and improve the planning process and tools that supported Sales and Operations. During the engagement, integrations across systems – including JDA and SAP – were established and planning processes were enhanced. The benefits from the project funded continued improvement.

The Process

Maintaining demand for fresh products in a multi-channel environment is always challenging. Accurately predicting and managing customer demand with perishable products is vital for profitability. To battle excessive inventories, visibility into more than one demand stream was critical. Our client works with over 600 SKUs, of which 60% are fresh products. When combined with more than 2,000 customer specific age requirements, the complexity sky rockets.

The three main objectives of the project:

- Improve short range forecasting (1-6 weeks)
- Improve long range forecasting (2-20 months)
- Provide visibility to good and excess inventory via “Age match” inventory across the network.

Spinnaker is a consulting services firm that helps Global 1000 corporations and mid-market companies increase profitability, reduce operating costs, and optimize their supply chains through a holistic approach that includes:

**People – Process – Technology
Policies – Metrics**



Spinnaker provides solutions that incorporate supply chain process enhancements, performance acceleration programs, and technology enablement services to drive visibility and velocity. Ultimately, Spinnaker helps companies collaborate better creating a distinctive competitive advantage through better planning and execution.



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Project Benefits

By optimizing the planning process and making the right choices with advanced planning solutions, our client gained better visibility to actionable data to make more qualified decisions. Benefits included increased forecast accuracy, a better mix of inventory, greater visibility into seasonal demand and continued best-in-class order fill rate.

Spinnaker helped our client achieve the following benefits:

- Enhanced demand planning capabilities including seasonality management, short range and long range statistical forecasting, and features segmentation
- Increased visibility to supply type and batch level supply risk
- Actionable data to make push/pull/cancel decisions based on supply and demand projections (*For example, the user now has the ability to see the portion of the total supply that is projected to expire soon*).
- Standardization of systems platforms
- Increased source data accuracy (*PO data is now pulled directly from 3rd party warehouse systems*).
- Provided the platform and building blocks to enable other advance planning projects
- Integrated with SAP to support MRP and completely replaced a fragmented planning system
- Pegged batch level supply to determine projected usable versus unusable supply

The Bottom Line

Implementing a successful, effective demand planning process can be a daunting task, but for food processing companies who depend on strict demand planning to achieve optimal ROI, the effort pays off quickly.

Every company deals with different needs and issues. One of the first steps to making improvement is to accurately assess current processes and technology for efficiency. It's important to know the capabilities of the tools at hand, and how to get to most out of these tools in order to maximize efficiency and productivity.