PLANTENSIVE
A Vaco Company

Case Study

Finished Goods Optimization

Plantensive Helps Snack Manufacturer Increase EBITDA by over 5% in year one.

"The JDA SCS tool opened our eyes to tens of millions of dollars of cost savings opportunities through the optimization of our Supply Chain, however none of it would have been possible without the training and due diligence of the incredible team at Plantensive!"

– Director, Supply and Demand Planning

Challenge

Our client, one of the world's largest private label snack supplier with annual revenue of over $1 Billion and servicing over 12,000 customer locations in the US, Canada, Europe and Asia. They make salty snacks in assorted flavor and sizes, including kettle cooked potato chips, regular potato chips, tortilla chips, cheese puffs, corn puffs, and pretzels. In addition to salty snacks, they also make crackers and cookies. The snack manufacturer operates 11 plants across the United States and Canada to meet its customer demand. Nine of these plants were acquired over the last decade. This network of plants was producing many of the same products as when they were acquired, which resulted in a redundancy in their manufacturing network. In addition, they had more demand than they were able to meet. Our client needed to know how to re-configure their production among their plants to determine what should be made where, what customers to serve from each plant, and where to add new plants to their manufacturing network.

As result of their rapid growth, the nomenclature of their product portfolio was not consistent throughout their organization. In order to be able to optimize their supply chain, they first had to implement an initiative to create universal product identifiers and implement them in their ERP system.

Results Highlight

- Reduced cost $5 Million in the 1st year
- Projected cost reduction of $18 million to $20 million over the next 2 years
- Plantensive Root Cause Analysts Tool used to identify issues
- SCS analysis chose plant location being profitable

Our Solution

The Snack Manufacturer already had access to some shelfware from Blue Yonder (previously known as JDA). Plantensive recommended the use of Blue Yonders's Supply Chain Strategist (SCS) to help them determine how to best re-configure their manufacturing network. Having years of experience working with SCS, we provided training to their supply chain team, which included an introduction to SCS and training covering all of its features and capabilities. Plantensive helped them to design and build their model and then worked with their team to analyze and interpret the results of the model. Since the source data used to build a model can often have data issues and incomplete supply chains, we provided them with a new Plantensive Root Cause Analysis tool, to help identify and fix any issues arising during the model build.

Our Results

As result of our partnership, our client was able to reduce cost by $5 Million in the first year and is expected to see $18 to $20 million cost reduction over the next two years. In addition to the cost saving, they also had the opportunity to acquire a new plant but had a limited time to decide. A critical component of the decision to move forward, was the result of an analysis in SCS determining that it would be profitable by helping to reduce cost across their supply chain. They were also able to determine the most optimal location to build their next plant. Finally, they used Plantensive's Root Cause Analysts tool to help identify issues encountered during the build of their models.

About Plantensive