



CASE STUDY

VALUE OPPORTUNITIES

- IMPROVE FORECASTING RELIABILITY
- PRODUCE FORECAST AT DAILY LEVEL
- TAKE PROMOTIONS INTO ACCOUNT
- CONSOLIDATE BUDGETING AND FORECASTING IN ONE SYSTEM
- SYNCHRONIZE THE SUPPLY CHAIN
- PROVIDE BASE FOR FURTHER SUPPLY CHAIN IMPROVEMENT

TXT E-SOLUTIONS RESPONSE

- DEMAND PLANNING

RESULTS

- A SINGLE SYSTEM ABLE TO PROVIDE DAILY, WEEKLY AND ANNUAL BUDGETING
- PROVISION OF STATISTICALLY DRIVEN FORECAST BASE
- FASTER INPUT TIMES BY USERS
- FIRM BASE FOR FURTHER DEVELOPMENTS

Grampian Country Pork

GRAMPIAN IMPROVES FORECASTING CAPABILITY

COMPANY PROFILE

Grampian Country Pork is part of Grampian Country Food Group (www.gcfg.com) and is UK's leading privately owned agri-food business producing fresh and frozen chicken, pork, beef and lamb products for the retail, wholesale and foodservice sectors. Although the company operates in a very competitive segment of the food industry, GCFG has a turnover of £1.2 Billion and has shown good year-on-year growth. The Pork Division has 12 principal locations. The group employs almost 24,000 people. TXT's forecasting system is used by the Pork Division to forecast orders from the UK leading retailers.

SUPPLY CHAIN CONTEXT

The Pork Division of Grampian operates in a particularly challenging market. Pork products are very variable in their demand patterns; some are highly seasonal, such as barbecue packs, while other products are more stable. Moreover, variability of demand is strongly influenced by product promotions, which can cause an increase of over 300% in sales.

Due to the incredibly short customer

lead times – normally less than 1 day – the forecast is the primary instrument to generate the weekly and daily production plan across the 12 plants within the Pork division.

The challenge is further compounded due to the short shelf life of pork products and a fixed supply of pigs. The wrong forecast could not only lead to lost sales and poor customer service, but over production can lead to spoilage costs as the products pass their shelf life.

THE CHALLENGE OF GRAMPIAN COUNTRY PORK

Given the importance of forecasting, Grampian initiated a Supply Chain Management project aimed at improving the accuracy of the demand plan. Goal was to deploy a demand forecasting solution that would:

- Consolidate demand planning and budgeting in one system;
- Take into account the impact of trade promotional activity;
- Produce daily level forecasts;
- Aggregate data by products channel or time and produce reports easily.

The previous system, based on HP

"Quite simply Grampian Country Pork is very happy with TXT e-solutions and the relationship between the companies. Our latest project Demand Planning was delivered on time, implemented smoothly and is delivering much better results than originally anticipated. Because TXT easily integrated with SAP and deployment from start to finish took less than 4 months, I am sure we have already recovered our initial cost."

Bob Janes, IT Manager - Grampian Country Pork

3,000 technology, had some limitations. The system used a single fixed parameter algorithm to generate a forecast. Flexibility was limited: users could only enter the weekly forecast volume. Extracting reports was also particularly difficult.

WHY TXT?

Grampian carried out a software selection considering a number of supply chain vendors. TXT was selected for the following reasons:

- *Expertise in the food industry;*
- *Flexibility of tools;*
- *Ease of use;*
- *Capability to manage daily, weekly and annual budgeting processes in a single tool;*
- *Reliance on standard technology;*
- *Good price performance ratio;*
- *Fast implementation time;*
- *Capability to implement supply chain templates tailored to the food sector.*

The existing ERP system was SAP, therefore TXT's ability to easily integrate with SAP was also a key reason for choosing TXT as partner.

THE SOLUTION

To meet the requirements of Grampian, TXT deployed the Demand Planning module from its Food & Beverage solution.

Demand Planning manages budgeting and weekly and daily forecasting processes.

It enables a joint evaluation of sales volumes and values, allowing the correlation of demand forecasting and budgeting activities from the early stages.

The solution uses a library of time series algorithms to generate a base forecast.

The forecasting engine employs a statistical "best fit" process to automatically select the most accurate estimate. The users of the system, account executives, can easily accept or overwrite the system forecast with their own market intelligence, compare

forecasts with last years sales and the current budget and add promotions. Users can see the plan from their market perspective, aggregating data by products and families, channels or time and easily extract reports directly into MS Excel.

Since the successful implementation of the Demand Planning solution at the Malton site, Grampian is now in the process of rolling the solution across other areas of the division. Moreover, Grampian is currently assessing TXT's

Production & Procurement planning module for optimizing the weekly and daily production plans.

TXT's Production Planning module optimizes all the typical constraints of the food industry and most importantly shelf life constraints, as well as issues related to the management of by-and co-products.