

SCA Helps QSR Chain Achieve Significant Savings by Restructuring Commodity-Driven Supply Chains

Overview

McDonald's is the world's leading global foodservice retailer with more than 33,000 locations serving approximately 64 million customers in more than 100 countries each day. More than 80% of McDonald's restaurants worldwide are owned and operated by independent local men and women.

Challenge

With thousands of stores in North America and a wide variety of meat-based products (beef, chicken, pork, fish), which are consumed daily, a large quick service restaurant (QSR) chain needed a high-performance manufacturing and logistics system to maintain their high service level standards. Their goal was to design the best supply chain with respect to total landed cost, service levels and improved manufacturing technology. As most options involve long-term investments, they sought an optimal balance between achieving best performance in today's market while accounting for potential uncertainties.

Solution

The QSR chain chose SCA because it is one of the only software suites in the industry which can provide insight into the implications of strategic decisions made in manufacturing as well as logistics. The functionalities and business constraints provided by **SCAplanner™** allowed managers to:

- Optimize the number, location and capacity of the plants for total supply chain performance
- Incorporate contingency needs in the supply chain design
- Enable product diversity by the selective use of new manufacturing technologies

“SCA's strategy helped the QSR supply chain to restructure the design, capacity and capability of their manufacturing network.”

About SCA Technologies

Since 1999, our predictive cost modeling, optimization and cost management capabilities have **helped our clients reduce their delivered cost of goods sold (COGS) by 3% - 5%, saving over \$250 million each year. Our clients include Fortune 500 companies such as McDonald's, NCR, Church's Chicken, Bama Companies, Baldinger Bakery and H. J. Heinz.** Led by a management team of highly experienced professionals from prominent companies like Xerox, Mobil, JD Edwards, PWC, Heinz and Cartesis, SCA is the only company that combines an integrative and collaborative approach with a powerful *"total cost-to-serve"* methodology. SCA Technologies is headquartered in Pittsburgh, PA with offices in Chicago, IL and Delhi, India.

Key Benefits

SCA's strategy helped the QSR supply chain to restructure the design, capacity and capability of their manufacturing network. That led to a reduction of 5% - 10% in many of their commodity supply chains.

In addition, the new design enabled the QSR chain to support higher product diversity in its markets by identifying and enabling the opportunity to predict and manage the variables associated with new products.

Finally, the new design takes into account potential changes in commodity prices, impacts of regional labor markets and changes with demand volume/demand profile.

For more information on SCA products and solutions contact: sales@scatech.com, or visit our website at www.scatech.com.

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