

## SCA Optimizes Complex, Multi-Stage Commodity Supply Chain

### Overview

**Tyson Foods, Inc.** (NYSE: TSN), founded in 1935 with headquarters in Springdale, Arkansas, is one of the world's largest processors and marketers of chicken, beef and pork, as well as prepared foods. The company provides products and services to customers throughout the United States and more than 90 countries. **Tyson** employs 115,000 Team Members at more than 400 facilities and offices in the U.S. and around the world.

### Challenge

A large poultry manufacturer was faced with the challenge of managing variation of demand and lead time in its raw material supply chain.

### Solution

The poultry manufacturer selected SCA to help develop a supply chain that was more aligned with a market-driven product mix, and to implement a capital investment strategy that enabled the business to meet its forecasted demand growth. The company was able to capitalize on **SCAplanner™**, SCA's predictive, cost-modeling software suite, to analyze changing market conditions and capacities, and technologies within the poultry industry on an on-going basis. Supplier and customer contracts that were negotiated annually could be analyzed and revised to align with the most current and relevant results from the supply chain model.

In any business, cost analysis is important, and more so in the poultry business. Credibility in cost modeling and presentation are equally important. SCA's experience and strength in these areas resulted in extensive and predictive modeling of the poultry manufacturer's cost structure. SCA's expertise in optimization techniques enhanced efficient evaluation of many strategic possibilities: capacity investment, intermediates buying and selling, variables such as raw material volumes, and finished product specs.

“The collaborative process used by SCAplanner™ reduced the poultry manufacturer's total system costs by 5% - 8%.”

## 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

The collaborative process used by **SCAplanner™** reduced the poultry manufacturer's total system costs by 5% - 8%, improved product yield by 1%, and reduced the number of products.

The solution helped the poultry manufacturer to develop a strategy for buying and selling raw meat from the commodity market and to make investment plans for future capital expansion. This resulted in a dynamic, integrated process that enabled the poultry manufacturer to optimize product volumes and supplier profiles, and finish product specification.

***For more information on SCA products and solutions contact: [sales@scatech.com](mailto:sales@scatech.com), or visit our website at [www.scatech.com](http://www.scatech.com).***

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Intelligent Cost Management Solutions

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