

SCA Planner™ Enhances Global Foodservice Supplier Performance Reviews & Budgeting Process

Result

- **Reduced product costs by 4% - 6%** through better cost monitoring, benchmarking and identifying opportunities
- Standardized process for budgeting & supplier reviews
- Actual & variance reporting across business units and suppliers
- A single, shared data source for budget, forecast and actual financial and operations information
- Standardized supplier benchmarking metrics
- Historical trends and variance analysis across business units and time periods
- Assured Supply: More flexible supply chain to handle demand, product mix and other market changes
- Common platform to upload and review financial and operational information
- Enterprise-wide collaboration broke down silos and provided one version of the truth

Challenge

One of the world's largest foodservice companies was challenged with managing a poultry manufacturing and distribution network with annual costs in excess of hundreds of millions of dollars. Overseeing this mammoth network was particularly demanding due to on-going volatility in raw material costs and market conditions. The company needed a powerful, collaborative, enterprise-wide process for planning, forecasting, tracking and response.

SCA Technologies was charged to deliver maximum efficiency and cost reduction across the entire supply chain — from commodities to customer. The company's traditional methods did not offer many of the fundamental processes and planning tools needed to continually analyze, measure, and compare results from different time periods, plants, and suppliers. The client's annual budgeting and monthly performance review process included other gaps:

- Budgeting process was conducted manually
- Multiple data sources
- Time consuming rounds of data collection, analysis, review and discussions between managers, suppliers, and other groups
- Difficulty tracking and monitoring budgeted costs and identifying variance drivers

Solution

SCA Technologies was engaged to design, develop and implement a new Supplier Budgeting and Quarterly Supplier Performance Review Process.

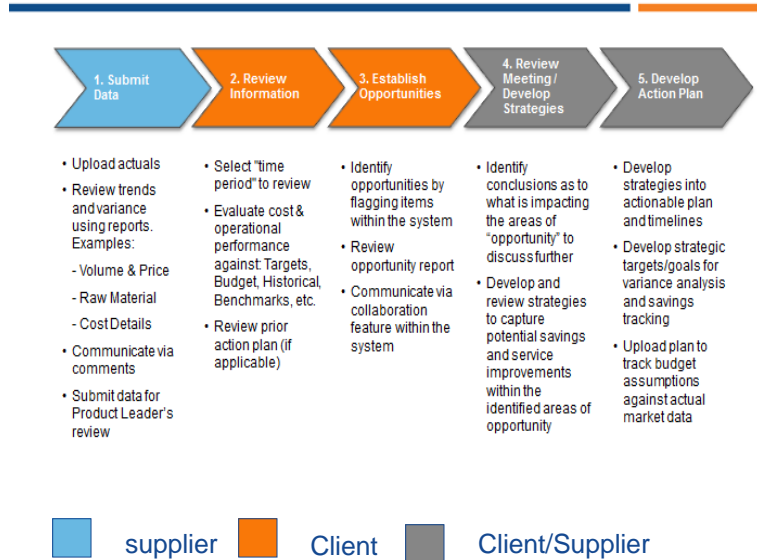
SCA implemented our hosted enterprise software for cost management and cost optimization that integrates sales forecasts, manufacturing, capacity plan, raw material sourcing, and input prices and new initiatives into a continuous forward looking planning process.

This forward-looking picture provides managers with visibility into upcoming activities, and the ability to track plans against actuals, and respond with updates to their plans to impact the outcome.

The implementation process:

- **Business Process Re-Engineering:** SCA consultants worked closely with field managers, suppliers and other stakeholders to conduct a full Business Process Re-Engineering (BPR) review to understand the company's business needs, current budgeting processes and identify gaps. The team worked collaboratively to build the appropriate process mapping and prototypes.
- **System Implementation:** Once system specifications from the BPR were validated and agreed upon, SCA configured the software to meet the client's needs. SCA then provided comprehensive training on software, reporting, and business processes.

Standard Performance Review



- Upload actuals
- Review trends and variance using reports. Examples:
 - Volume & Price
 - Raw Material
 - Cost Details
- Communicate via comments
- Submit data for Product Leader's review

- Select "time period" to review
- Evaluate cost & operational performance against Targets, Budget, Historical, Benchmarks, etc.
- Review prior action plan (if applicable)

- Identify opportunities by flagging items within the system
- Review opportunity report
- Communicate via collaboration feature within the system

- Identify conclusions as to what is impacting the areas of "opportunity" to discuss further
- Develop and review strategies to capture potential savings and service improvements within the identified areas of opportunity

- Develop strategies into actionable plan and timelines
- Develop strategic targets/goals for variance analysis and savings tracking
- Upload plan to track budget assumptions against actual market data

About SCA

SCA Technologies provides supply chain and margin management solutions that help food industry leaders maximize profits by better managing market, supply and demand volatility.

Supply chain, procurement, and finance professionals use the integrated approach of SCA Planner™ to make better decisions for billions in category spend each year. With this increased visibility, they can finally evaluate market alternatives in a coordinated manner and respond quickly to changes, leading to an average reduction in the cost of goods sold by 3-5 annually.

Learn more about our innovative, cloud-based solutions at www.scatech.com