

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

Overview

Our Client is a leading global foodservice retailer with tens of thousands of local restaurants serving tens of millions of people in over 100 countries each day. Most of our client'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 Technologies™ 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 SCA Planner™ 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

About SCA

For over a decade, SCA Technologies has provided category sourcing and cost management solutions that help industry leaders maximize profits by better managing market, supply and demand volatility. Supply chain, procurement, finance and corporate social responsibility professionals use the unique cross-functional approach of the SCA Planner suite to make better decisions for billions in category spend each year. With our patented technology, customers can finally address the tough challenges of volatile commodity prices, extended supply chain networks and corporate social responsibility tradeoffs in a coordinated manner. Our innovative, cloud-based solutions deliver increased visibility and quicker response, leading to an average 3-5% reduction in the cost of goods sold on an annual basis. Learn more at www.scatech.com

Key Benefits

SCA Technologies' 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.