

Analyzer™ Module Enhances Global Foodservice Performance Evaluation & Budgeting Process

Results

- Standardized process for budget, actual & variance reporting across business units and suppliers
- One source of record for budget, forecast and actual financial and operations information
- Reduced product costs by 4% - 6% through better cost monitoring, benchmarking and identifying opportunities
- Historical trends, benchmarks and variance analysis across business units and time periods
- More flexible supply chain to handle demand, product mix and other market changes
- Common platform to upload and review financial and operational business information
- Enterprise-wide collaboration eliminating back and forth correspondence

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 \$1 billion. 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.

Maximum efficiency and cost reduction were called for across the entire supply chain — from breeder farms-to-processors-to-final products-to-stores. The company's traditional methods of managing the business 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:

- Comparing and evaluating various plants and suppliers proved to be difficult
- Resulting budgeting process was conducted manually
- Multiple data sources
- Time consuming rounds of data collection, analysis, review and discussions between managers, suppliers and others
- Difficulty tracking and monitoring budgeted costs and identifying variance drivers

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

Solution

SCA Technologies was engaged to facilitate the design, development and implementation of a new budgeting process. We implemented Analyzer™, the cornerstone of SCA Planner, our hosted enterprise software for cost management and cost optimization. Analyzer allows the client to integrate sales forecasts, manufacturing, capacity plan, raw material sourcing, input prices and new initiatives into a continuous forward looking planning process. This forward-looking picture provides managers with the ability to get early visibility into upcoming activities, track plan against actuals, and respond with updates to their plans.

The implementation process consisted of two steps:

- **Business Process Re-Engineering:** SCA Technologies' consultants worked closely with the organization's 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 potential gaps. The team worked collaboratively to identify and build the appropriate process mapping, and prototypes.
- **System Implementation:** System Implementation Services are used for the business process transformation initiative of our customers. Once system specifications from the BPR were validated and agreed upon, SCA software engineers configured the software to meet the client's needs. SCA staff then provided training that afforded full understanding and clarity of the system's process, reports and software.

Analyzer provided the company with an enterprise-wide budgeting, performance review and benchmarking process around financial and operational factors enabling collaboration between different business units. It allowed managers to quickly create a solution that met evolving business needs by evaluating historical trends and benchmarks. In addition, Analyzer empowered executives to identify potential cost variances and take appropriate and timely corrective action.