



Risk Management

Moving Beyond Controlling Costs to Managing Margins

Restaurant chains monitor commodity markets to utilize hedges and manage costs, but today's market volatility requires moving beyond controlling costs to managing operating margins. With SCA, risk managers have a more comprehensive view using real-time information across the supply chain.

Balance Commodities Risk & Opportunity

Based on deep food industry expertise, our Risk Management solution helps restaurant chains understand market basket risk in real-time, get early warning signals of changing demand and identify cost savings opportunities.

With more comprehensive, up-to-date information, SCA's Risk Management provides risk managers with:

- Real-time visibility to latest core item and LTO forecasts and corresponding commodity purchase needs
- Advanced what-if scenario analysis for hedges and contracts
- Reports to quantify and track value at risk as well as performance reports by commodity, category or brand
- Risk management collaboration with suppliers.

Current Risk Management

- Static data
- Fixed forecasts
- Limited scenarios
- Cost assumptions
- Siloed analysis



SCA Risk Management

- Real-time data
- Updated forecasts
- Unlimited scenarios
- Optimized costs
- Integrated approach

Benefits include:

- *Better coverage, risk analysis and reporting*
- *Improved cost performance by aligning risk management and sourcing*
- *Lower commodity cost with faster response to market*
- *Collaboration across departments and with suppliers*

Risk Management

Mitigate Risk While Capturing Opportunity



Quick service, fast casual and other food service providers use our Risk Management to gain a comprehensive, real-time view of sourcing needs. With advanced analytics for scenario planning, hedging decisions become more precise and more profitable.

Review Information | Create Pricing Scenario | Submit Price

Information Across Supplier/Business Units | Information By Supplier/Business Unit | Supplier

Market Basket Risk

View Different Report
 Overview | YTD | 2013 | 2014 | 2015 | Rolling 12
 Report Views | By Commodity |

Commodities	UOM	Volume Needed	Volume Hedged	Commodity Spend(MM \$)	% Commodity Spend At Risk
Shortening	MM lbs	4.50	1.00	2.43	79.38 %
Flour	MM lbs	135.00	70.00	31.65	51.34 %
Corn	MM bu	11.00			
Soymeal	MM tons	0.11			
Sugar	MM lbs	22.50			
Block Butter	MM lbs	7.07			
Barrel Cheese	MM lbs	82.22			

Raw Material Variance

View Different Report
 Overview | YTD | 2012 | 2013 | 2014 | Rolling 18
 Supplier | All | Raw Material | Corn | Variance | Absolute |

Budget line item displays budget data across all periods.
 Forecast line item displays year to date Actuals and forecast for remaining periods.

Data Type	UOM	Q1			Q2			Q3			Q4			FY Yr
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	
Corn		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	20
System														
Total Volume	MMbu	1.55	2.01	1.70	1.78	2.07	1.62	1.52	2.09	1.68	1.67	1.88	1.52	
Forecast	MMbu	1.54	1.99	1.68	1.74	2.02	1.55	0.47	0.77	0.62	0.59	0.66	0.53	
Variance	MMbu	0.01	0.02	0.02	0.04	0.05								
% Risk Managed Volume	%	92.94%	94.07%	93.02%	91.44%	95.34%								
Budget	%	93.54%	95.02%	94.13%	93.54%	88.48%								
Variance	%	(0.60%)	(0.95%)	(1.11%)	(2.10%)	(2.14%)								
Open Market Price														

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Understand market basket risk in real-time with latest core & LTO volumes

Get early-warning signals as LTO forecasts and supply needs change

Make commodity decisions with full visibility by menu item and store

Capture commodity market opportunities and avoid cost increases in real-time

Information Across [Supplier / Entity] | Information By [Supplier / Entity]

Raw Materials

View Different Report
 2012 | 2013 | 2014
 Advance Reporting Option

Data Type: Forecast

	UOM	Supplier A	Supplier B	Supplier C	System
Corn					
Total Volume	MM bu	18.10	22.81		40.91
% Risk Managed Volume	%	67.07	87.14		78.26
Open Market	S/bu	7.6341	7.5050		7.5915
Risk Management Vehicle	S/bu	6.5433	6.9682		6.8071
Net weight averaged Price	S/bu	6.9025	7.0372		6.9776
Dark Meat - Boneless_Purchases					
Total Volume	MM lbs			3.75	3.75
Open Market	S/lb			1.3500	1.3500
Net weight averaged Price	S/lb			1.3500	1.3500
DSI filelets_Purchases					
Total Volume	MM lbs			4.53	4.53

Enable World-Class Supply Chain Excellence

Leading restaurant chains rely on our supply planning and margin management solutions to reduce risk, boost profits and build market share. Designed by food people, for food people, SCA Planner™ provides a collaborative, integrated approach that gets procurement, supply chain, finance, risk management, marketing, menu management and others all on the same page.

Our SOC 2 audited cloud offering and certified integration with leading enterprise solutions speed implementations while lowering costs. To learn more visit us at www.scatech.com

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