

A Top 3 QSR “Beefs Up” Its Supply Chain & Processing Efficiency with SCA Planner™

The Customer

Starting with a single restaurant decades ago, our client has grown into one of the world’s largest and best-known quick service restaurant chains in the world. Today the company has locations in over 100 countries, serving hamburgers, chicken, and other fare to millions of customers daily.

The Challenge

Our client requires a large, ongoing supply of beef products to produce the millions of hamburgers and other beef-based items it sells daily. Given its purchase volume, the company sources beef trims from multiple suppliers, processes the trims and then ships these to distribution centers. Volatility in beef-trim costs, region-specific demand, production capacity, and processing/distribution costs makes it an ongoing challenge for our client to meet market demand at optimal total cost.

Management sought to optimize its supply mix, sources, and freight costs, along with developing a processing system that could drive efficiency across plants, respond to projected demand and contingency situations, and avoid bottlenecks, thereby reducing costs. The company turned to SCA Technologies for help.

SCA Planner drives 3-5% in savings through:

- Optimized beef-supply mix and raw material sourcing
- Improved plant utilization/efficiency
- Identified impactful capital investment opportunities
- Increased freight savings

About SCA

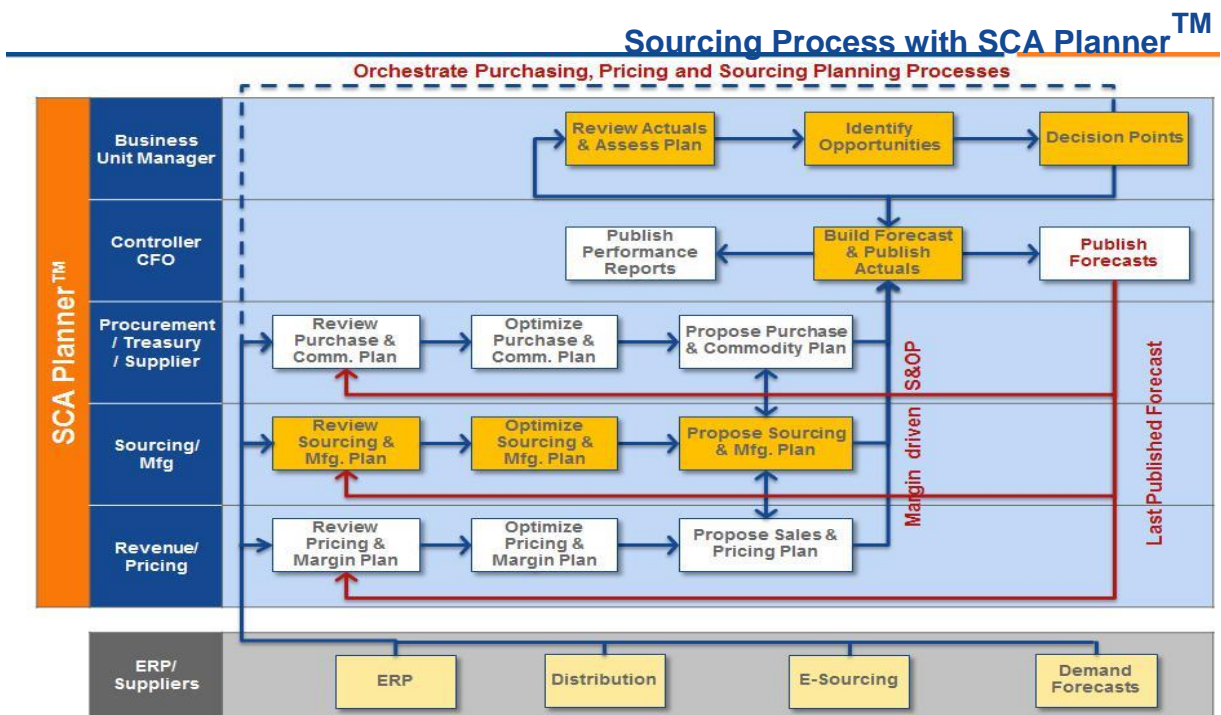
SCA Technologies provides supply chain and margin management solutions that help food industry leaders maximize profits by better managing market, supply and demand volatility.

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

The Solution

SCA worked closely with our client using a business process approach coupled with SCA Planner™ software. The team developed a sourcing planning process for the client's complete supply chain. With SCA Planner the team embedded the capability to simultaneously optimize raw material sourcing, manufacturing operations, and distribution costs. Through activity-based costing, and optimization of sourcing, processing, beef-product-mix and distribution assignments the team identified the lowest-cost scenarios for procurement, and distribution for every planning cycle. The activity-based-costing method, for example, combines financial and operational modeling to capture the true cost of manufacturing activities and calculate the real costs of multiple projected scenarios.



The Result

The result yields the optimal sourcing, processing, and distribution strategy for a given product using time windows within defined business constraints. Our client's new analytic capabilities for supply chain and processing drove significant savings realized over two years, with additional ongoing savings for continuous supply planning through SCA Planner.

Using SCA Planner enabled our client to both develop strategies for forward-looking supply chain scenarios in response to shifting market features and to respond to near-term supply needs in a dynamic, cost-optimal manner.