



*Granarolo is a leading European manufacturer and distributor of fresh products such as milk, yogurt and cheese. It has annual revenue of \$1 billion.*

## **Project & Objectives**

Granarolo looked for a supply chain planning solution able to provide integrated demand modeling, inventory management and replenishment planning over the entire distribution network. Inventory planning had not been centralized, but left entirely to individual branches. No inventory optimization functionality was available to find the correct balancing of fulfillment levels versus stock levels and products freshness. These problems had a profound impact on the distribution of fresh food and created a problem with product obsolescence. Also, they wanted to increase residual shelf life at the point of sale and reduce the transportation costs resulting from urgent deliveries.

### **... Day to Day**

The ToolsGroup DPM solution plans service and stock levels in a large and complex distribution network comprising 38 direct depots and 68 other indirect distribution centers, a large fleet of refrigerated trucks, and more than 55,000 points of sale. The DPM solution manages 1,650 SKU-Locations over the entire distribution network directly controlled by Granarolo, including a first level warehouse and 10 second level warehouses.

## **Results & Benefits**

The ToolsGroup team carried out the Granarolo project in just 3 months with amazing results. They reduced stock levels by more than 50%, cutting in half both the working capital tied up in finished products and the total time products spent in the pipeline. By reducing time-to-market by 50%, they dramatically improved product freshness and reduced obsolescence problems to a minimum.

They also reduced stock-outs, which increased customer service levels, increased sales, and reduced transportation costs.

Granarolo is a fast growing firm in a sector that is otherwise not expanding at all. Since part of this growth is coming from acquisitions and geographical expansion, which causes frequent modifications in the distribution network structure, DPM has become a vital tool to support decisions at the strategic, tactical and operational levels with the same basic data. Various business analysts have recently underlined the operations efficiency improvements Granarolo has been able to achieve in the last few years.