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deoleo

CUSTOMER STORY

Deoleo

Deoleo improved product availability while reducing inventory and costs

Challenges

Due its size and complexity, Deóleo Group needed a more strategic, global supply chain solution in order to obtain and improve its global logistics, financial and organizational goals.

Industry

- Manufacturing – Food & Beverage

Solution

- Demand Planning
- inventory Optimization
- Replenishment

Results

- Increase product availability from 97% to 99%
- Improved delivery service quality from less than 91% to nearly 96%
- Reduced average stock days per product lines
- Reduced transportation costs with fewer partial deliveries and less premium freight

Company Overview

Deóleo operates a truly global supply chain across more than 100 countries. The company commercializes 4,000 finished products, requiring more than 10,000 components for their manufacture. 75% of the company's employees do supply chain tasks.

Project & Objectives

The Deóleo supply chain management team set out with a global vision to operationalize two fundamental goals across their supply chain:

- Offer their clients the highest possible service level
- Achieve optimum inventory management

For that reason, Deóleo started a project to bring all brands into line for these objectives and to completely integrate acquired companies' IT systems.
The team also wanted to create an "extended" supply chain including all the processes between orders and collections:

- Demand and supply planning
- Logistics, distribution and customer service
- Purchasing
- Cost control

Day to Day

Service Optimizer 99+ from ToolsGroup was implemented in three phases: first, in the Spanish market, then in international markets where Deóleo had commercial presence and, finally, all production planning processes and distribution networks were optimized.

The most important objectives were (1) to have an integrated global distribution network in which each distribution center was supplied from different manufacturing centers, and (2) to increase service levels and reduce inventory.
The Deóleo service level is composed by 2 items:

- Product availability
- Quality service in the final delivery

The overall objective of the project was to create a supply chain planning function with a global vision that achieved financial, logistic and organizational objectives.

Benefits

The implementation of SO99+ has allowed Deóleo to meet their proposed objectives:

- Product availability increased from 97% to 99%
- Delivery service quality improved from less than 91% to nearly 96%
- Average stock days per product lines reduced
- Stock of finished product in Europe reduced
- Lowed transportation costs: fewer partial deliveries and less premium freight
- Reduced product obsolescence
- Improved industrial performance
- Simplified systems and reduced administrative work.

+ About ToolsGroup

Please visit our website at **toolsgroup.com** to learn more about how we are helping leading brands worldwide to improve their supply chain planning.