



CUSTOMER STORY

Hero

Hero freed up resources from operational tasks while improving customer service and reducing inventory

Challenges

Hero Spain faced the challenge of achieving substantial and sustained improvements in its supply chain KPIs, product availability, average stock levels and forecast accuracy.

Industry

- Manufacturing – Food & Beverage

Solution

- Demand Forecasting & Planning
- Inventory Optimization
- Replenishment

Results

- Service level up to 98%
- Inventory reduction by 20%
- Freed up resources from operational tasks

Project & Objectives

Hero, a leader in the jam and marmalades sector, was initially a traditional food and canning company. Nowadays, Hero is an Advanced Nutrition Company, focused on research, development and innovation. The portfolio of the company has more than 1,100 sku's, ranging from infant foods (milks, baby food, cereal, etc.) to jams, juices, dietary and hospital products.

Hero Spain faced the significant challenge of achieving substantial and sustained improvement in its supply chain KPIs, product availability, average stock levels and forecast accuracy established by their parent company, the Hero Group.

This challenge was not completely new to Hero Spain. The Operating Department had already implemented a series of internal mechanisms resulting in a reduction in inventory levels without reducing the high service levels demanded by the market. Now new targets required the organization to go a step further.

According to the Logistics Department at Hero España, "in order to meet the business objectives set by head office, we not only had to redesign the company's S&OP process internally, but we also had to adopt advanced planning technology that would support and automate the process, and guarantee service".



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Therefore, from the outset the objectives of the project involved end-to-end automation of supply chain planning (demand, inventory and provisioning) and achieving business goals by optimizing the balance of stock to service.

"One of the clear premises for us and conveyed to ToolsGroup was that the technology should be adapted to our processes and way of working," says José Aurelio Rosique, Logistics Manager at Hero España.

Day to Day

ToolsGroup' SO99+ automatically calculates the base demand forecast at the item-channel-day level, as required by the Commercial Department. This base forecast is subsequently enhanced by adding the effect of external demand variables (promotions and product launches).

Once the Commercial Department agrees to the demand forecast, it is applied at the distribution center (DC) level to calculate inventory required to achieve the desired service level policies. Finally, guided by the target service level, SO99+ recalculates the master production plan and the restocking needs for the entire distribution network on a daily basis.

Results & Benefits

Since implementing the ToolsGroup solution, Hero has achieved a number of qualitative and quantitative improvements:

- Support and automation of the S&OP process. A more automated process has freed up resources that were previously assigned to operational tasks. These resources are now focused on value-added analytical tasks.
- Service levels up to 98%.
- Inventory reduced by 20%.

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