



#### CUSTOMER STORY

## Pyrénées

Food company transforms supply chain complexity and volatility into better service and healthy inventory levels

### Introduction

Founded over 80 years ago, Pyrénées is the largest retail chain in Andorra, a small country strategically located between Spain and France. The group employs 1,200 people (3% of the total Andorran workforce) and generates 10% of Andorra's annual GDP. In their stores you can buy everything from cars, electronics, household appliances, and food products to the most exclusive fashion and perfume brands. The flagship department store is Grans Magatzems Pyrénées, with an area of 15,000m<sup>2</sup>, 65M€ of revenue and a food and grocery dedicated floor with 3,500m<sup>2</sup> and more than 30,000 SKUs.

### Industry

- Retail

### Solution

- Demand Planning
- Inventory Optimization
- Replenishment

### Results

- Improved service levels (product availability) to 95-97%
- Reduced stock levels by 30-35% in some product categories
- Increased supply chain visibility

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### Challenges

The acquisition of new business lines, including convenience stores and supermarkets, meant a 100% increase in the group's revenue and an increasingly complex logistics flow

and structure. Pyrénées realized improvements to their supply chain strategy and processes would be required to ensure the success of its ambitious expansion plan and profitability goals. "The company realized the importance of the supply chain as a competitive advantage," said Jordi Artigues, replenishment manager at Pyrénées. "With this new vision and focus, we decided a global digital supply chain transformation was imperative to our future success."

The main objectives of Pyrénées' supply chain transformation project were:

- Creation of a new, valid and scalable replenishment model
- Transformation and specialization of the supply chain, in order to support the business growth of the Pyrénées group
- Increased service levels (which were not measured at the time)
- Improved inventory planning

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## Solution

Pyrénées selected ToolsGroup's Service Optimizer 99+ (SO99+) supply chain planning software to support its ambitious global supply chain transformation. "The project started with the redesign of the role of our product managers. At that time, product managers had different roles (negotiation, purchasing and replenishment). We switched them into 'category managers', more focused on business development, assortment and promotions, and supplier negotiations.

Our replenishment department also shifted its focus to automated planning-by-exception, service level-driven planning and inventory optimization," explained Artigues.

SO99+ not only helped Pyrénées with specific supply chain tasks but also contributed to the overall success of the company's transformation. "ToolsGroup gave us global visibility that we didn't have before. Thanks to that, new opportunities were surfacing which we didn't see before because everyone was working in silos."



**With our revenue and operations about to double, we needed to create a new scalable replenishment model and specialize our supply chain team," added Artigues.**

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## Results

After implementing SO99+, Pyrénées was able to increase service levels (up to 95-97% in some product categories) while reducing stock levels. "In some categories like beverages, our stock levels were reduced by 30-35%, freeing up time and space," added Artigues.

SO99+ also enabled the following results:

- Optimization of inventory resulting in reduction of product waste and lower stock levels

- More efficient assortment management
- Better demand planning management: improved product availability rates and good adherence to demand proposals
- More efficient transfers between centers and reduction of some operational costs
- Improved replenishment planning processes, optimized orders and improved incident management

SO99+ also helped Pyrénées to manage the COVID-19 crisis which disproportionately affected retailers. "During the COVID crash, SO99+ gave the entire company full visibility of demand changes. During the first weeks, our on-line orders increased by 500%; we ran out of rice, pasta, toilet paper, and other essentials. SO99+ gave us full visibility of the situation, something we didn't have before," concluded Artigues.

## + About ToolsGroup

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