

CASE STUDY

Food Processor

Background

- \$600 million, frozen appetizers
- Out of cash, poor Sam's products
- High change rate in manufacturing

Value Space Design

Segmented food service markets as well as retail and mass merchant

Developed key segment value propositions

Identified product requirements by segment

Supply Chain Modeling

Identified high inventory levels/waste

Assessed service needs by segment

Aligned supply chain to optimize inventory

Interface to existing ERP for continuous improvement

Demand Management

Control system changed to rate-based system

Master Production Schedule reduced from 3 months to 3 days

Rebalanced finished goods inventory to meet on-demand customer requirements

Collaborative Procurement used to improve flexibility

Results

Inventory turns increased from 6 to 14

Overhead reduced by 5% of revenue

Cash flow improved over \$30M

Low value SKUs either reconfigured into a major product family or rationalized