

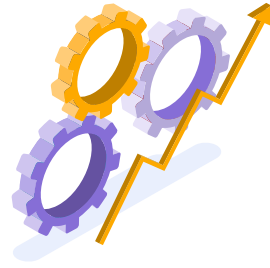


Future-proofing
the demand
**planning process
for a packaged
foods company**



Overview

A multi-national food processing company specializing in private-label packaged foods wanted to improve the demand anticipation accuracy and planning process for its diverse product portfolio that was constantly expanding through M&As.



Key Challenges

Complexity arising from multiple acquisitions, pandemic induced disruptions, and changing consumer consumption behavior were causing 8%-10% opportunity losses.

The complexity was compounded by the sheer volume of SKUs that needed to be managed - leading to overworked demand planners and increasingly inaccurate demand forecast.

Demand anticipation issues

- ✦ Systemic issues in the forecasting process including low forecast accuracy, lack of agility in reacting to dynamic market needs, human bias, and highly manual process.
- ✦ Data driven risk management was limited due to inability in identifying contributing factors and quantifying their impact.
- ✦ The magnitude of gaps in the demand anticipation process was even greater at granular levels and with new products.
- ✦ Supply constraints due to pandemic exacerbated the shipment allocation process in an already fragile system.

Overwhelmed demand planners

- ✦ Absence of any SKU prioritization framework coupled with disparate, disjointed data.
 - ✦ Delay in information flow from field, often after the supplier briefings were concluded.
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Solution Approach

Innovation Garage, a two-day discovery event, brought together Asper and customer team with an all-encompassing agenda for:

✦ Process discovery and stakeholder mapping

✦ Pain point identification

✦ Desired state vision

✦ Roadmap development

A proof-of-value engagement, focused on significant forecast accuracy improvement in two key product categories, was executed to demonstrate the capability. Additionally, Asper's Dynamic Demand AI (DDAI) application was configured to manifest the future state demand planning process.



Overwhelmed demand planners

The Year 1 goal set by both teams was to achieve 5% or more improvement in accuracy across the product portfolio and deliver significant productivity gains for demand planners.

The demand-planning process was future-proofed and made self-regulated by:

- While newer and better data increased the proportion of low-risk instances, disruptions increased the incidence of high-risk scenarios .
- AI automation of low-risk cases, aiding the demand planner in making the best possible decisions in high-risk scenarios
- Defining separate paths for high and low-risk situations



Value Delivered

The short-term, mid-term, and two-year benefits for the client from Asper's DDAI implementation included:

6.8%

improvement
on forecast
accuracy for 2
categories in the
first 8 weeks

Over 5%

improvement
in forecast
accuracy across
all categories
in Year 1

40%

improvement in
Demand Planner
productivity

8.2%

improvement
in forecast
accuracy in
Year 2



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