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ZEBRA

SUMMARY

Customer
Multinational consumer goods manufacturer

Industry
CPG

Challenge
- Adjust order fulfillment accounting for excessive demand and limited inventory
- Reduce OTIF penalties
- Ensure retail partners get their fair share

Solution
Intelligent Order Promising

Results
- 4-5% improvement in case fill rate for strategic customers
- 10x ROI from increased revenue and reduced OTIF penalties

Multinational consumer goods manufacturer implements Intelligent Order Processing to improve on-shelf availability

The Challenge

During the COVID pandemic, a multi-billion dollar consumer goods company was required to react and adjust more quickly to inventory planning and order fulfillment to counteract skyrocketing consumer demand for food and consumable products.

Additionally, their major retail partners were increasing their On-Time In-Full (OTIF) requirements to retain consumer trust and loyalty, adding financial penalties as a significant complication to the allocation decision process.

And now, as the global economy continues, it appears that market volatility and consumer buying behavior will permanently redefine a segment that was once characterized as constant and stable.

The Solution

To optimize business performance in these market conditions, this global company launched a strategy focusing to create a competitive advantage by investing in data and analytics. One critical area that promised significant business benefit was Order Processing and Available-to-Promise (ATP).

Traditional ERP-based ATP and Order Promising systems have limited flexibility and typically require 3 to 4 months to recalibrate. This was no longer an acceptable timeframe when shelves empty at an unprecedented clip. Absent better direction, warehouse managers were resorting to first-come first-serve, and that puts major customer relationships in jeopardy as well as increases the risk of OTIF penalties. Adjusting quickly to these market conditions, the company sought the expertise of antuit.ai's Intelligent Order Promising (IOP) solution to help them strategically respond to allocation and order fulfillment.

Intelligent Order Promising (IOP) is the application of sophisticated algorithms of near-term consumption sensing data, guided by pre-determined strategic business objectives and customer segmentation, to produce allocation recommendations across all channels that ensure optimized business performance despite sudden gaps between demand and supply. But most importantly, it delivers the power of machine learning in easy-to-follow decisions that are guided by flexible business rules for different business conditions.

IOP helps companies see through the noise and confusion of short-term demand volatility and react quickly by automating the prioritization of orders while considering multiple strategic objectives. The net result is better management of on-hand and supply in a way that respects the customer segmentation strategy that best achieves business KPIs.

Results

After a pilot program at one warehouse, IOP was rolled out to 30 locations over the course of 6 months. The solution generated a 4-5% improvement in case fill rate for strategic retail customers and 10x ROI from increased revenue and reduced OTIF fines. Additionally, IOP brought a sense of relief and empowerment by enabling automation, responsiveness, standardization, and other factors that are listed below.

Automation

- Order processing was automated, instead of a manual, high-touch process

Differentiation

- Segmentation of case fill was strategic, instead of first-come first-serve

Standardization

- Decision criteria were standardized and visible, replacing an inconsistent approach across the network

Streamlined

- Fewer expedites were required due to up-front rules and a consistent process to manage exceptions

Responsiveness

- Fulfillment guidance was responsive to business dynamics, instead of reacting with a lag

Sales-Aware

- Customer Service strategy was considered upfront in the analysis, instead of in a reactive mode

"The IOP solution is able to catch some shortages even I would have missed"

Outbound Planner

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