



CASE STUDY



S&OP Transformation for
a Leading Food Packager

Client

Leading Canadian
Private-Label Food Packager

Services Provided

Planning Roadmap &
Implementation

Industry

Consumer Packaged
Goods

Overview

A leading food packager faced challenges with inventory management, including overcapacity and reactive planning. By partnering with LIDD Consulting, the company implemented a comprehensive planning strategy, resulting in a 31% inventory reduction and annual savings of \$1 million.

LIDD's Mandate

LIDD was engaged to select and implement a robust planning system and optimize inventory management processes, enabling proactive planning to enhance efficiency and drive cost savings.

The Challenge

The food packager faced challenges with excess inventory, leading to increased holding costs and operational inefficiencies. Their reactive planning approach limited their ability to anticipate and respond to market fluctuations. The company sought a strategic solution to optimize inventory management and streamline operations.

The Solution

LIDD leveraged its deep expertise and implemented comprehensive planning processes to transform the client's operations. Our approach focused on optimizing key business areas, including inventory management, sales & operations engineering, supply chain technology and warehouse efficiency.

Project Approach

LIDD partnered with the client to address inventory management challenges through a phased approach:

Phase 1: Assessment and Planning

- > Conducted a comprehensive assessment to identify the food packager's specific planning needs.
- > Developed a tailored roadmap to prioritize necessary software and processes.

Phase 2: Software Selection and Implementation

- > Led a thorough selection process to identify the most suitable planning software, ultimately choosing DemandCaster.
- > Oversee the implementation of DemandCaster, including internal project management, testing, training, and S&OP process establishment.

Phase 3: Ongoing Support and Optimization

- > Provided continuous support, post-implementation improvements, and ensured successful S&OP process initiation.

Planning Solution

Leveraging DemandCaster as the core planning system, LIDD implemented a comprehensive inventory management framework:

- > **Inventory Optimization:** Established inventory management policies, including safety stock levels, minimum order quantities, and order frequencies, to optimize inventory levels.

- > **Performance Monitoring:** Implemented a Power BI report to provide real-time insights into inventory performance, enabling the identification and prioritization of at-risk SKUs.
- > **Continuous Improvement:** Established a structured approach to regular performance reviews and adjustments to inventory management policies.

The Results

The partnership with LIDD yielded significant benefits:

31%

reduction in
inventory levels

Inventory Reduction:

A 9% reduction in inventory levels, translating to approximately \$5 million in working capital.

1M

annual savings

Cost Savings:

Annual savings of \$1 million through reduced holding costs.



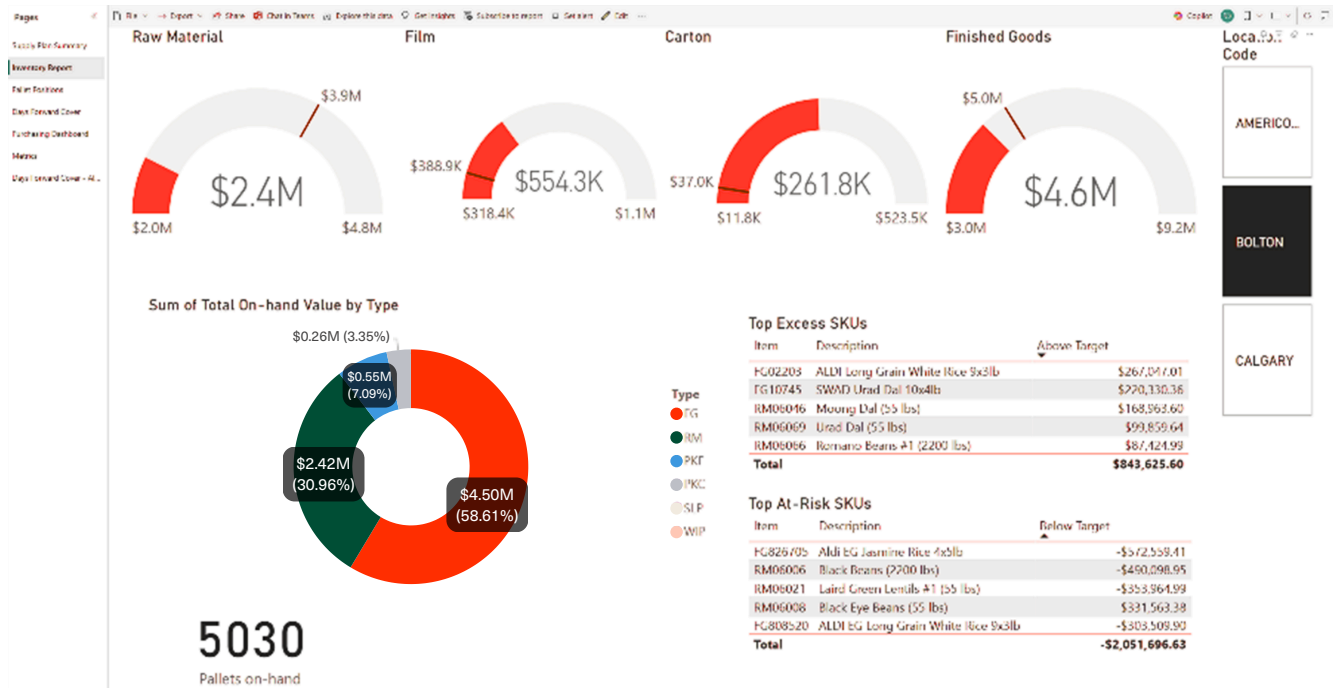
Improved Efficiency:

Optimized inventory management and streamlined operations.

Conclusion

This case study demonstrates the transformative impact of effective inventory planning. By partnering with LIDD, the organization achieved substantial cost savings and improved operational efficiency through a data-driven and strategic approach to inventory management.

Charts & Graphics



\$10.4M/\$10.8M

↓ 0.18% WoW

On track



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