



Faribault Foods Plans With AI to Become More Agile

Kickoff to Go-Live in 1 Month



Industry

Consumer Products /
Food & Beverages

Headquarters Location

Minnesota, USA

Size

1000 employees

New Horizon Products

Demand Planning
Sales and Operations Planning

Objective

Replace legacy applications with modern cloud solution that is more accurate, easier to use, and has a lower TCO

Solution

Implemented New Horizon products across entire US business in one month each. Integrated with SAP ERP, SAP APO, and Vistex Trade Promotion Management.

Agility ▲

Increased supply chain agility

1 Month

Implementation for each application

10% ▼

Decrease in forecast error

A New AI-Powered Planning Solution for Managing Volatility and Uncertainty

Founded in 1895 in Minnesota, Faribault Foods is a leading manufacturer of branded, co-manufactured, and private label shelf-stable foods, specializing in dry beans, pasta in sauce, soup, and chili. To improve their agility in the face of volatile consumer demand and uncertain raw materials supply, they set out to replace their aging on-premise demand planning and sales and operations planning (S&OP) applications with a modern cloud alternative.

Replacing a Legacy System With a Modern Cloud Solution

Faribault's existing system had an expensive total cost of ownership (TCO) because of annual vendor maintenance fees as well as internal IT department support for the application. This support included the need for a database administrator and periodic forecast engine tuning. The old system was also not very easy to use and required extensive training for new users.

Faribault embarked on a digital transformation initiative and decided to search for a new cloud solution that would take advantage of the latest technologies such as AI and machine learning to achieve better forecast accuracy, while being easier to use and lower cost to operate.



Like many consumer goods companies, Faribault Foods faces volatile demand and changing customer behavior. ‘AI and machine learning have given us better visibility into demand and more accurate forecasts so we can become more responsive to changing conditions,’ says **David Mörker, senior director and head of information technology**. He adds that Faribault Foods can improve customer service levels while reducing inventory and supply chain costs.

– *Inbound Logistics Magazine*
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Why New Horizon

Faribault evaluated New Horizon and two other solutions: a product from its ERP vendor, and a new cloud application from its legacy system vendor. After a careful evaluation, they decided to go with New Horizon for the following reasons:

- Better forecast accuracy from using AI technology, while automating the process to insulate Faribault from technical complexity
- Fastest implementation time and time to value
- Modern and intuitive user experience
- Lowest TCO

Go-Live in One Month

Faribault went live with New Horizon Demand Planning one month after kickoff. They went live with S&OP one month later. Each product was deployed across all of Faribault’s operations, including four distribution centers, 1800 items, and 1100 customer locations. Eighteen users from Faribault’s supply chain and sales organizations use the system. Transaction data is imported from their SAP ERP system, and plans are exported to Faribault’s SAP Advanced Planning and Optimization (APO) application. Trade promotion plans are imported from Faribault’s Vistex Trade Promotion Management solution.

Improved Agility, More Accurate Forecasts, Intuitive UX, and Lower TCO

Faribault has achieved the following business benefits from their implementation:

- Low implementation costs and quick time to value resulting from the rapid deployment
- A 10% decrease in forecast error compared with the prior solution
- Quick and agile response to supply chain disruptions and changes in market conditions
- Intuitive user experience resulting in greater adoption, higher planner productivity, and less need for training
- Lower support costs and TCO
- Increased service levels, sales, and market share resulting from more accurate forecasts and reduced out-of-stocks

To learn more:

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