



Foodservice Distributor Improves Agility for a Post-Pandemic World

Transforms Procurement Planning

Industry
Foodservice /
Wholesale Distribution

Headquarters Location
USA

Size
Billions of dollars in revenue,
serving thousands of chain res-
taurant locations

New Horizon Products
Buyers Workbench

Objective
As part of a supply chain modern-
ization project, replace legacy
procurement planning system;
Automate planning processes and
improve plan quality

Solution
Implemented New Horizon Buy-
ers Workbench; Integrated with
Oracle JD Edwards ERP system

Efficiency ▲

Increased
procurement
planning
efficiency

15-20% ▼

Reduction in
inventory

Agility ▲

Improved ability to
quickly and
accurately
replan purchases

Planning for a Post-Pandemic World

Foodservice distributors must keep restaurants stocked with the freshest possible ingredients at the lowest cost. This has become increasingly difficult during the pandemic because of supply disruptions and volatile demand. In 2021, the supply chain group of a major distributor to chain restaurants realized that they needed a more agile approach to supply chain planning. This would help them meet customer needs during the ongoing pandemic and better position them for the post-pandemic world.

The Need for a Better Procurement Planning Process

The company's aging procurement planning processes and systems had a number of areas in need of improvement. To make periodic updates to purchasing plans, planners needed to access disparate systems to obtain the necessary data and then do a lot of manual work to come up with a plan. Furthermore, planners often didn't trust the results and would increase purchasing quantities to provide a safety buffer. This unnecessarily increased carrying costs and overwhelmed warehouses that had limited storage space. In early 2021, the distributor decided to take a new approach.



In the first 10 minutes of their demo, it became immediately clear that New Horizon knew the foodservice industry, understood the requirements for wholesale distributors, and could deliver what we wanted in a software solution.

– Supply Chain
Planning Manager

Why New Horizon

After a careful evaluation of six competing proposals, the supply chain team decided to go with the New Horizon Buyers Workbench procurement planning application. New Horizon stood out for a number of reasons:

- Deep understanding of wholesale distribution and foodservice business processes
- Match of out-of-the-box functionality with the project requirements
- Great reference checks from industry customers

Rollout Across 12 Distribution Centers

The company implemented the New Horizon solution across 12 of its DCs serving two of its multi-billion dollar restaurant customers and went live in August 2021. The solution is integrated with the company's Oracle JD Edwards ERP system. Now the company has all the procurement information it needs in a single system and can automatically generate accurate purchasing plans. Planners trust the results and can let the system recommend purchases without the need for constant manual tweaking. In addition to creating purchasing plans, the system offers additional functionality such as the ability to:

- Recommend postponing or expediting open purchase orders
- Build full truck loads automatically
- Easily handle item transitions

15-20% Reduction in Inventory After 4 Months and Improved Supply Chain Agility

With the advanced capabilities of Buyers Workbench, the organization reduced inventory 15-20% in just four months, while meeting customer service targets. At the same time, it has increased planning efficiency and reduced planning cycle time. With the ability to quickly and accurately replan purchases in response to changing business conditions, the company has a more agile supply chain. This is helping the company during the pandemic and will give it a competitive advantage in the future. The supply chain team is now evaluating expanding the scope of the solution across more of its growing business.

To learn more:

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