



\$10B+ QSR Chain Transforms Procurement Planning to Cut Costs

Kickoff to Go-Live in Two Months

Industry

Foodservice /
Quick Service Restaurants

Headquarters Location

USA

Size

\$10B+ in revenue, thousands
of restaurants

New Horizon Product

Buyers Workbench

Objective

Optimize DC-level procurement
of food, beverage, and
disposable items to reduce
inventory and lower costs

Solution

Implemented New Horizon
Buyers Workbench in just over
two months. Rolling out across
the USA. Integrated with BI,
store replenishment, and
Oracle ERP.

Utilization ▲

Increased truck
capacity utilization

2 Months

Implementation
time

9% ▼

Less inventory
while serving more
restaurants

Building an Agile QSR Supply Chain

Supply chain excellence is critical for quick service restaurant (QSR) operators to provide a consistent consumer experience at the lowest possible price. This has been all the more apparent over the last few years because of lingering transportation and warehouse labor shortages. QSR supply chains need to be more agile to adapt to future demand and supply volatility.

The Procurement Planning Challenge

With the goal of improving supply chain agility, the supply chain group of a \$10B+ QSR chain embarked on an ambitious effort to redesign its procurement and inventory management processes. Their goal was to ensure that DCs have an adequate supply of the approximately 500 food, beverage, and disposable items distributed to their restaurants — at the lowest cost possible. This required fundamentally rethinking business processes to squeeze out costs and improve performance.

Why New Horizon

In evaluating solutions for procurement planning, the company looked for a number of advanced features particularly relevant to the foodservice industry that would give it more precise control in its planning.



New Horizon is a key part of the company's strategic initiative to transform its supply chain. Buyers Workbench enables the company to precisely control replenishment orders, truck load building, and inventory levels in order to minimize costs while maintaining the highest possible service levels for the restaurants.

Specific capabilities included:

- **Truck Loading Optimization:** Lower transportation and ordering costs by optimizing truck loading across pickups from multiple vendors
- **Inventory Balancing:** Balance supplies across DCs before resorting to new purchases
- **Inbound Delivery Scheduling:** Plan deliveries to accommodate vendor calendars so that warehouse receiving capacity can be level loaded
- **Item Group MOQ:** Plan a minimum order quantity (MOQ) for a group of related items rather than having to buy a minimum quantity of each item

New Horizon stood out for its superior ability to meet the above requirements. It also provided a better user experience and greater reporting capabilities.

Go-Live in Just Over Two Months

The QSR chain implemented Buyers Workbench and went live just over two months after kickoff. The solution is part of a larger supply chain transformation project and is integrated with the company's business intelligence, store replenishment, and Oracle ERP systems. Buyers Workbench is now being rolled out across the country DC by DC.

Lower Inventory, Reduced Costs, Streamlined Processes

With a new procurement planning process enabled by Buyers Workbench, the company has been able to reduce inventory and lower costs while maintaining a very high service level to its restaurants. The New Horizon implementation has already helped the company achieve significant business benefits:

- 9% reduction in total inventory during the first phase of the project (despite increasing the number of restaurants served by 69%)
- Automation of truck load building to optimize the use of truck capacity and reduce operational costs
- Improved ordering efficiency resulting from the reduction in time needed to build orders
- Improved planning efficiency by automating analysis
- Exception management approach to proactively address inventory issues before they become problems
- Better quality data from data monitoring to avoid unnecessary mistakes

To learn more:

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