FOODSERVICE INDUSTRY
EBOOK

13 Best Practices for a More Resilient Foodservice Supply Chain

NEW HORIZON™
Planning Made Easy™

Introduction

Foodservice supply chains have little room for error. Too little inventory puts customer service at risk. Too much ties up cash and increases spoilage. The challenge isn't simply creating a better forecast - it's detecting change early enough to make better purchasing, replenishment, capacity, and inventory decisions.

Foodservice operators, distributors, and suppliers must constantly balance product availability and freshness against inventory costs and spoilage. That pressure is compounded by persistent food and labor cost inflation, uneven and shifting consumer demand, supplier and transportation uncertainty, and ongoing pressure to improve productivity without compromising service.

Based on our experience with foodservice clients, these are the 13 best practices we've seen for building a more resilient, responsive, and profitable supply chain - and the capabilities that make them possible.

Demand Side

The first step toward a more resilient supply chain is visibility to future demand at a granular level, based on the most current information available. The more accurate and detailed the picture, the more prepared you'll be to fulfill demand efficiently.

The most useful forecast is not just accurate. It is detailed enough to support the decisions teams need to make.

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1 Forecast at the level where decisions are made

To optimize labor scheduling, ingredient purchasing, and replenishment, leading foodservice operators forecast by day and day part - and in some cases, by the hour. But demand visibility should go further than staffing.

The most effective forecasts also break down demand by:

- Location and restaurant format
- Menu item or category
- Channel - dine-in, drive-thru, takeout, and delivery
- Customer segment or account type
- Promotional and event periods

This matters because off-premises ordering now represents a significant share of restaurant traffic and has fundamentally changed how and when demand occurs. A forecast that doesn't account for channel mix can leave you over-stocked in one area and short in another.

Granular forecasting at the decision level gives operators, distributors, and suppliers the specific information they need to act, not just a direction.

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2 Model holidays, promotions, and other demand drivers

Holidays and promotions - especially limited-time offers (LTOs) - have an outsized impact on foodservice demand. Running short on a key ingredient during a high-visibility LTO is a costly, avoidable problem.

But no two promotional events are identical. Performance varies by location, channel, customer mix, item, and competitive environment. Traditional forecasting approaches that simply apply a blanket lift factor miss this complexity.

Leading operators are using AI-powered forecasting to:

- Measure historical promotional lift by location, item, and channel
- Select appropriate forecasting models based on the nature of each event
- Generate confidence ranges so planners can see the risk on either side of the forecast
- Flag exceptions for planner review
- Explain why a forecast changed, not just what it changed to

The goal isn't simply to "use AI." It's to produce practical, explainable recommendations that planners can trust and act on, tied to specific business outcomes like fill rate, spoilage reduction, and working capital efficiency.

> The goal is not simply a more advanced forecast. The goal is a forecast planners can understand, trust, and act on.

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3 Build better forecasts for new locations, products, and menu items

New restaurant openings, remodels, new product introductions, and LTOs all create forecasting challenges because there's no established sales history to rely on.

Best practice involves using comparable-location or attribute-based forecasting to build a "pseudo history" for new or reopening locations, drawing on stores with similar demographics, format, size, trade area characteristics, and sales patterns. That history then becomes the basis for initial volume forecasts, which can be scaled and phased in as actual demand data accumulates.

The same principle applies to new products and menu changes. Rather than launching with a blank forecast, leading operators use:

- Regional or format-based analogues
- Attribute-based modeling for new items
- Ramp-up curves that reflect typical introduction patterns
- Separate forecasting for LTO items across their full lifecycle, from launch to end-of-life

Getting the supply plan right at launch is especially important. Over-ordering at introduction creates spoilage and write-off risk. Under-ordering at a high-visibility LTO undermines the promotion itself.

4 Detect and correct abnormal demand

Not all demand history is reliable. Stockouts distort the record by hiding what demand actually was. Unusual disruptions create spikes or valleys that don't reflect normal patterns. Structural shifts in demand behavior - changes in channel mix, customer composition, or ordering patterns - can make older history misleading if treated the same as recent data.

The underlying risk is using distorted history to project future demand. Leading companies address this by:

- Identifying and adjusting demand outliers before they influence the forecast
- Correcting sales history for known stockouts and lost sales to reveal true underlying demand
- Distinguishing temporary disruptions from structural shifts in channel, customer, or product mix
- Giving planners the tools to review, override, and document historical adjustments

This approach makes forecasting more accurate not by adding complexity, but by ensuring the data feeding the model is a reliable reflection of real demand.

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5 Create a shared planning process with trading partners

Large demand swings - whether from promotions, catering events, or new product launches - can't be managed by operators alone. Distributors and suppliers need early, reliable visibility to plan their own capacity, procurement, and replenishment.

Sharing that visibility through phone calls, emails, and spreadsheets can work at a small scale, but it becomes increasingly difficult to manage accurately as the number of partners, locations, and SKUs grows. Information arrives at different times, from different sources, in different formats. It's difficult to maintain a single, current picture of what has been agreed.

Leading companies are moving toward a shared planning process with their trading partners that includes:

- Sharing forecasts and promotional plans early enough for partners to act
- Confirming capacity and order commitments before problems occur
- Managing exceptions through shared workflows rather than one-off calls
- Maintaining one record of decisions, changes, and commitments
- Extending collaboration upstream to growers, manufacturers, and other suppliers where timing and volume matter most

Phone, email, and spreadsheets remain a reasonable starting point for many organizations. The objective is to understand where manual coordination creates risk and to build toward more connected, scalable processes as the business requires.

Supply Side

Even the most accurate demand forecast can't eliminate supply uncertainty. Variable lead times, supplier constraints, transportation disruptions, product availability, shelf-life limitations, and changing costs all require a planning process that can detect problems early and respond quickly.

The best practices below address how to build that responsiveness into your supply-side operations.

Visibility is only valuable when it helps teams make faster, better decisions.

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6 Convert visibility into timely decisions

Monitoring supply and demand is necessary, but not sufficient. The value of visibility depends on what you do with it.

Leading companies are moving beyond dashboards and exception reports to create a planning process that turns signals into decisions. That means being clear about:

- Which changes require action and which can be absorbed
- What thresholds trigger an exception and who owns the response
- How quickly plans can be recalculated when conditions change
- Whether planners can see why a recommendation changed, not just what it recommends
- What the service, inventory, and cost consequences of different responses look like

Chains that monitor product-level point-of-sale (POS) data on a daily or day-part basis, combined with up-to-date visibility to distributor and supplier inventory positions, can detect emerging problems while there's still time to act. The goal is to compress the time between detecting a change and making a good decision about it.

7 Coordinate product phase-ins and phase-outs

Getting item transitions right is one of the more operationally demanding challenges in foodservice supply chain management. Done poorly, transitions leave you with excess inventory of outgoing items and a shortage of incoming ones, or a stockout between changeovers.

The principles that apply to seasonal and holiday items apply equally to:

- Menu and recipe changes
- Packaging transitions
- Limited-time offer launches and completions
- Supplier substitutions
- Product introductions and discontinuations

Best practice requires closely monitoring both the pace of depletion on outgoing items and the arrival timing and quantities of incoming items and then adjusting purchasing plans dynamically to keep the transition clean. Automating this process reduces the planner time required and improves the consistency of outcomes across locations and categories.

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8 Update purchasing plans continuously

Placing a purchase order and treating it as final made sense when supply chains were more stable and predictable. It's no longer sufficient.

The most effective purchasing teams continuously evaluate open orders and upcoming needs against current supply and demand conditions. When conditions change, they have a clear process for deciding whether to:

- Expedite an order when supply is at risk
- Postpone or reduce an order when demand has softened
- Cancel an order when inventory is already adequate
- Switch to an alternate supplier or substitute product
- Transfer inventory from another location
- Accept a temporary, managed service risk rather than over-purchasing

This kind of exception-based purchasing requires two things: current information, and a clear picture of the consequences of each choice. Buyers need to see not just what the recommendation is, but what the service level, inventory, and cost impact of each option will be before they commit.

9 Build sourcing flexibility into normal planning

In the foodservice industry, item and supplier selection has traditionally been very stable. The same products, from the same distributors, on the same schedules - until something goes wrong.

Treating alternate sourcing purely as an emergency measure means you're always starting from scratch when a shortage occurs. Leading operators are incorporating sourcing flexibility into their standard planning processes rather than waiting for a crisis. That means:

- Maintaining approved alternate suppliers and pre-qualified substitute items
- Understanding supplier capacity, lead times, and minimum order requirements
- Building multi-sourcing strategies for critical or high-risk items
- Evaluating cost-versus-availability trade-offs as part of routine purchasing decisions

The objective is to move from reactive scrambling to structured scenario planning so that when primary sources are constrained, alternatives are already defined, approved, and ready to activate.

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10 Optimize truck loading

The need to order full truckloads to reduce freight costs creates a planning puzzle: how do you efficiently fill trucks when orders span multiple vendors, multiple items, and multiple locations?

Best practice companies incorporate truck loading optimization directly into their replenishment planning. This means accounting for weight, cube, pallet, and case constraints to build an optimal load plan - whether that means ordering extra quantities from a single vendor, combining orders from multiple vendors, or coordinating across locations to consolidate volume.

Getting this right reduces freight cost, improves vendor relationships, and simplifies DC operations. It also ensures that the decision to build a full truckload is based on actual inventory need, not just the easiest way to meet a minimum order requirement.

11 Test plans against operational constraints before committing

Purchasing and replenishment plans that look correct on paper can create real problems when they hit the distribution center. Deliveries that arrive in uneven volumes - concentrated on certain days or times - create receiving congestion, labor peaks, dock-door conflicts, and storage pressure that make execution harder than it needs to be.

Leading companies are planning deliveries to accommodate vendor schedules, dock appointments, labor capacity, pallet and case volume, and daily throughput constraints so that DC receiving capacity is level-loaded across the week.

The key question is whether the plan is operationally executable before it's committed. That means checking purchasing and replenishment plans against:

- Dock-door availability and appointment schedules
- Labor capacity by day and shift
- Pallet and case volume against storage space
- Competing inbound loads from other suppliers
- Vendor delivery calendars and minimum notice requirements

Catching conflicts before orders are placed is far less costly than managing them at the dock.

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Rebalance inventory across the distribution network

When supplies are depleted at one distribution center and sitting unused at another, the question isn't simply whether to transfer inventory. It's which response makes the most economic sense given all available options:

- Transfer existing inventory from a DC with surplus
- Purchase additional inventory from a supplier
- Expedite an order to the depleted location
- Substitute an available product
- Accept a short-term service exception and communicate it proactively

Each option carries different cost, timing, and service implications. Leading companies are evaluating these trade-offs systematically and rebalancing inventory across the distribution network on a regular basis rather than treating each situation as a one-off exception.

This is especially relevant as multi-echelon inventory optimization becomes more accessible. Viewing inventory as a network-wide resource, rather than a location-by-location problem, often reveals cost-saving opportunities that would otherwise be missed.

Viewing inventory as a network-wide resource can reveal better options than treating each DC as a separate planning problem.

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A Final Best Practice - and Perhaps the Most Important

In the tradition of a baker's dozen, we offer one final practice. It applies across demand, supply, and everything in between.

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Build a planning process that gets better over time

Stock-outs, inventory excesses, missed promotions, and costly expedites aren't just operational problems. They're signals that something in the planning process can be improved.

The difference between managing recurring problems and actually eliminating them is whether your team can learn from the decisions that led to those outcomes.

Leading companies are building that capability by capturing:

- Decision history and audit trails - not just what was ordered, but why
- Planner overrides and how they compare to system recommendations over time
- Forecast accuracy by location, item, channel, and event type
- Root-cause analysis for repeated exceptions
- Supplier and location performance patterns
- Recommendation acceptance rates and the outcomes that follow

This kind of continuous improvement loop is what separates planning teams that are always catching up from those that are steadily improving results. It also supports better conversations with distributors and suppliers, grounded in shared data rather than competing interpretations of what happened.

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Planning for a More Profitable Foodservice Operation

A more resilient supply chain isn't built by solving one problem at a time. It's built by creating a planning process that can detect change early, evaluate options quickly, make decisions confidently, and learn from outcomes systematically.

These 13 practices represent a framework for doing exactly that. Together, they connect better demand sensing to smarter procurement, more efficient distribution, and a planning culture that improves over time.

The results are measurable: higher service levels, lower inventory and spoilage, better use of working capital, fewer emergency expedites, greater planner productivity, and more consistent purchasing decisions.

Ask yourself:

- Can we detect meaningful demand and supply changes early enough to act?
- Can we evaluate alternatives before committing to a decision?
- Can we explain why the plan changed and what the consequences of each option are?
- Can we execute the plan within our purchasing, transportation, labor, and DC constraints?
- Can we learn from the outcome and apply that learning to the next decision?

If the answer to any of those questions is "not reliably," these practices offer a practical path forward.

New Horizon customers have achieved results including inventory reductions of up to 20% and service level improvements of up to 15 percentage points - moving from reactive purchasing to proactive, data-driven planning.

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About New Horizon

New Horizon is an AI-powered supply chain planning platform purpose-built for foodservice operators, distributors, and suppliers. Traditional planning software has remained difficult to implement, hard to use, and slow to deliver value, leaving teams dependent on workarounds and unable to respond quickly to changing conditions. New Horizon takes a different approach: an AI-native platform that covers demand planning, supply planning, replenishment, inventory optimization, procurement, production planning, S&OP, and strategic planning - all within a connected, intuitive environment designed for the way foodservice companies actually operate.

What sets New Horizon apart:

- AI-powered recommendations that are transparent, explainable, and actionable
- End-to-end planning across demand, supply, inventory, and distribution
- Deep foodservice expertise built into the platform from the ground up
- Rapid implementation designed to reduce risk and accelerate time to value
- Automation of routine planning work so your team can focus on decisions that matter

New Horizon customers include Golden State Foods, KFC, McLane, Diamond of California, Faribault Foods, and Republic National Distributing Company.

See how New Horizon helps foodservice companies improve service, reduce inventory, and move from reactive purchasing to proactive planning.

Request a Demo

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