

Major Fast-Fresh Retailer Optimizes Supply Chain with Vitria Advanced Analytics

Customer Profile: a well-known global brand is a retailer of specialty drinks and food worldwide. Its stores offer made-to-order-beverages, packaged products and various convenient fresh food products for breakfast, lunch and any time snacks. In addition, they sell a wide assortment of branded merchandise and accessories.

With operational costs rising and locations expanding, this retailer realized that its supply chain was not keeping pace with its staggering marketplace success. It has a complex supply chain that manages the flow of beverages, food, and merchandise sourced from all over the globe. These goods are delivered to more than 20,000 retail locations that serve tens of millions customers in 50+ countries each week. With new locations opening at a rapid rate, they recognized the need to optimize their supply chain to keep up with expansion.

Customer Situation: Data Across Disparate Applications

An initial assessment of its supply chain revealed that a lack of visibility into deliveries exposed them to stock shortages and dissatisfied customers. Getting transportation, distribution, and logistics under control presented a huge challenge with so many different products shipped around the globe. With over 50,000 deliveries per week and thousands of inbound shipments, it was impossible to get an overall network view of all incoming and outgoing goods.

Take for example the North American operations. Inbound products ship globally from sources from Latin America, Africa, and Asia to North America. These products are trucked to multiple sites, where they are processed and the finished product is then trucked to a handful of regional distribution centers in the United States – three of which are operated by third-party logistics companies (3PLs). A few dozen smaller distribution centers (DCs) make multiple deliveries via truck to retail outlets that stock branded products.

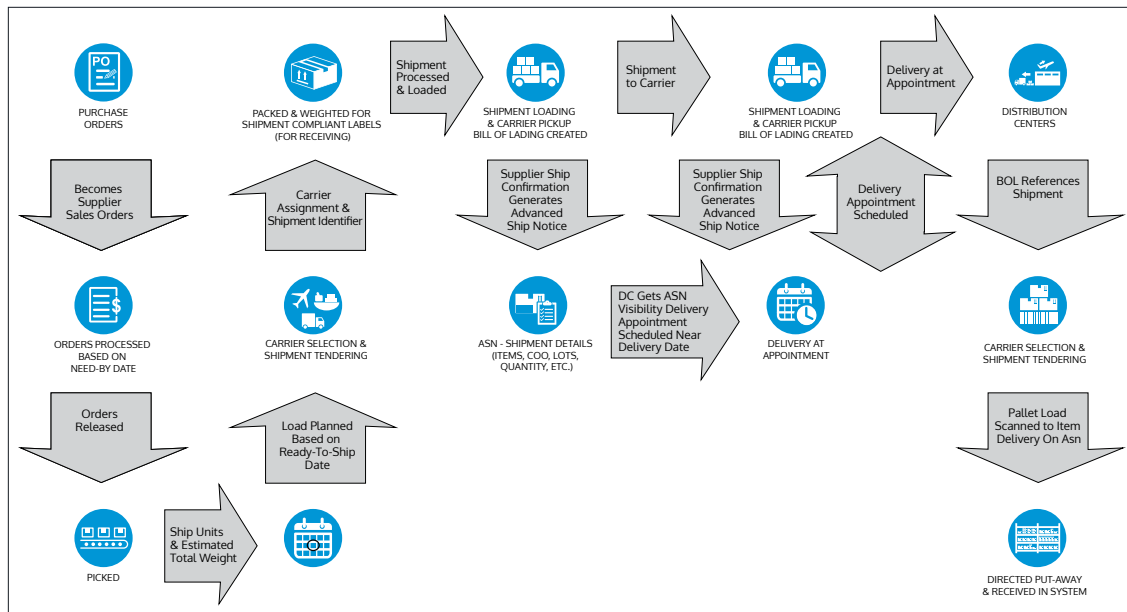


Figure 1: Purchasing Flow of Inbound Goods in North America

The primary challenge was the ability to track these orders and shipments across an array of internal and external systems and applications, from suppliers to retail locations. Delayed shipments, shortages, and overages were resulting in significant revenue losses as well as customer complaints. Shipment priorities, such as stock replenishment and promotional items, were communicated through static spreadsheets, wherein planners, distribution centers and transportation personnel did not have a single view of orders. There was a need for a solution that could provide real-time, end-to-end visibility across the global supply chain, enabling the enterprise to proactively address shortages and missed shipment.

Vitria Advanced Analytics Platform

The supply chain team evaluated several different options, including leveraging its existing ERP systems or developing a solution in-house that would track orders and shipments across the value chain. However, each of these options required extensive development efforts and the ongoing costs of maintenance and customization made these options less attractive. The team then evaluated Vitria’s Advanced Analytics platform.

The Vitria Advanced Analytics Platform provided a solution that addresses their complex needs and requirements. It establishes an activity monitoring layer that tracks the progress of every activity in the supply chain process. Stakeholders are immediately notified of delays at any particular step in the process so that they can take smarter actions for the best possible outcome. Each line item in the purchase order (PO) is continuously monitored by receiving and correlating events from various systems. The platform generates alerts and notifications when an event is not received – i.e., when a service-level agreement (SLA) is violate.

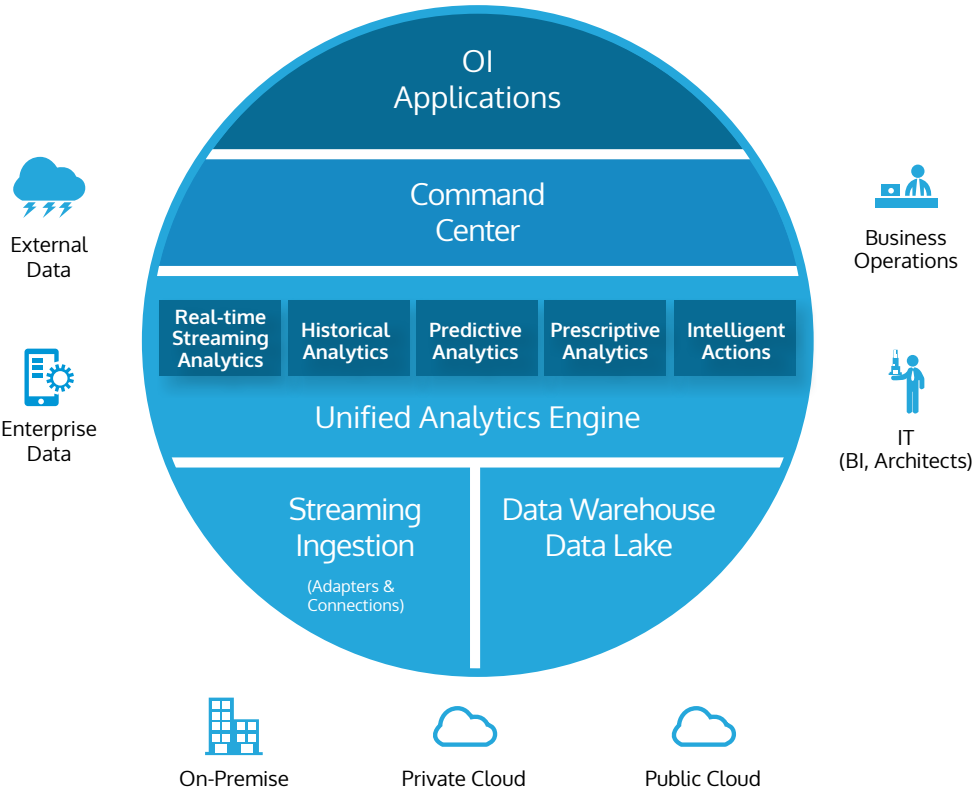


Figure 2: Vitria Advanced Analytics Platform

Business Outcome: Supply Chain Optimization

Using the Vitria Advanced Analytics Platform, the procurement personnel now have real-time visibility into bottlenecks and delays and are immediately alerted to issues related to specific orders to take smarter actions for better outcomes. In addition to monitoring orders related to replenishing supplies, the procurement team also tracks all of the items needed to stock new retail locations. The procurement team has been able to easily define and track SLAs with each of its suppliers and get alerted when established thresholds are in jeopardy or exceeded.

A procurement planner's dashboard includes a visual process map of the end-to-end PO lifecycle with traffic light indicators for each monitored step in the process, along with a panel that lists the exceptions that warrant immediate attention. A planner can quickly drill-down into the specific line item(s) that are putting an SLA in jeopardy.

Procurement planners can quickly interact with the system and mark specific items as high priority – for instance, stock replenishment items or promotional products for the holiday season. These items are flagged as high priority within the dashboards used by the DCs and transportation personnel.



Planners now have better visibility into supplier performance by timeliness and accuracy of delivery. The supply chain team has established clear productivity metrics with partners, primarily based on delivery times and order fill rates. This metrics-driven approach increases transparency and results in greater focus on the ultimate business goal – improving the customer experience.



Figures 3 & 4: Procurement Planner's Dashboard & Planners Mark Specific Items as High Priority



Figures 5 & 6: Supplier & Distribution Center Performance Dashboards

Using the Vitria Advanced Analytics Platform, the Retailer is able to uncover supply chain patterns, analyze processes, and adjust to an optimal path. The discovered insights enable smarter actions for better business outcomes.

The Vitria Advanced Analytics Platform paid for itself by the second month into deployment, achieving the following return on investment:

- Reduced the number of delivery trucks on the road by over 10%
- Reduced the issue identification and resolution time by an average of 10 hours a week per buyer
- Eliminated manual reporting for shipment or delivery verification
- Eliminated manual error checking
- Provided a higher-level summary view of orders, deliveries and holds
- Provided status indicators for key points in the supply chain
- Increased customer satisfaction

Continuous Improvement

This project is only the first phase of a larger program. The next phase of the project implementation will cover significantly more of the end to end supply of the enterprise, with a focus on delivery activities to each retail location as well as outbound orders for other channels.

About Vitria Technology

Vitria's advanced analytics solutions empower enterprises and industrial customers to achieve better outcomes faster in their business operations.

The company was founded in 1994 and has a long history of success in streaming analytics, business process management, enterprise application integration, and operational intelligence. Vitria is also a leading player in the rapidly growing IoT (Internet of Things) analytics market.