



REFLEX PLANNING SOLUTIONS

CASE STUDY

on Hitchen Foods

Full company name	Hitchen Foods
Parent company	Bakkavör
Region (s) of operation	UK
Vertical industry	Food Processing
Horizontal industry	Manufacturer
Turnover	£74m (UK)
Number of locations	1
Key business goal	Single Forecast plan
Results achieved:	
Accuracy	improved by 25%
Inventory	stock days reduced by 30%
Service level	maintained consistently at 98%

BAKKAHOR THE GLOBAL BRAND

Bakkavör is recognised and respected as one of the world's leading fresh prepared foods and produce provider supported by 57 manufacturing facilities across the world.

In the UK, the largest fresh prepared foods market, Bakkavör are the No. 1 provider in 12 of their product markets. With just a few retailers dominating the global grocery retail market, Bakkavör already trades with 8 of the top ten, some of them cross-border. (source Deloitte)

Bakkavör aims to focus on specific growth sectors where a strong market share can be achieved by building strong relationships with major customers, understanding their needs and the needs of the consumer.



Hitchen Foods was established in the 1930s as a family owned business becoming a limited company in 1961. The company was later acquired by Bakkavör Group, in October 2005.

FORECASTING PROBLEMS BEFORE REFLEX

At Hitchen Foods the products ranges primarily include Salads, Ready Meals, Prepared Produce, and Pizza Toppings resulting in the manufacture of over 100,000 meals a day.

Before the introduction of Reflex, the company was reliant upon multiple Excel spreadsheets being created and managed by each department from Sales, Finance and Planning all with differences purposes and objectives. This made the forecasts difficult to maintain and update and more importantly analyze to track down where the changes were being made and the lack of being able to lock the forecast once approved. In addition there were no forecast measures in place to determine the accuracy of the results.

With little confidence in their planning results and lack of visibility of changes the stock levels of the packaging requirements were maintained at higher levels creating over 20 stock days of redundant stock.

REFLEX PLANNING SUITE

The primary objective was to achieve a single forecast model, which can be continuously compared to multiple base positions enabling the sensitively required to identify forecast variances quickly.

Reflex has provided a base from which they have formalised the Sales & Operations Planning process, now with regular meetings to focus on both the Promotional activity and the impact of new ranges and products many months in advance of their launch dates.



The accuracy of the results have given the process a high degree of credibility with the S&OP teams which encourages constant constructive debate with regard to the variances and new product launches.

The volume or rate of re-designs are now at least once per year and for some products are twice per year. Reflex has enabled the planners to manage the re-designs launches much better which has resulted in less redundant packaging. This information and forecasts is also shared with their suppliers so they can be more responsive to changes in designs.

The most important benefit has been the long term predictability which has given them better control of Inventory requirements while maintaining service levels. Inventories have been reduced by 30% through the reduction in stock days from 21 to 15 days over the initial 9 month period.

"My time spent on preparing and generating reports for our S & OP process has been reduced from 7 days a month to 1, and I can be confident the figures are valid" a relieved Danny Cook, Demand Planning Project Leader.

BEYOND FORECASTING

The Reflex story is only in its infancy, now they have an accurate and reliable forecast as a key input into the S&OP process has been achieved, the next step is to extend the solution to address the future Capacity and Resource planning requirements and the effect of independent causal variables such as Hours of Sunlight on the forecast.

"The Reflex suite of modules and features allow us to continually extend the usage and scope of the system as the business looks to improve its control over other areas of the planning arena. It is constantly helping us make better informed decisions today by providing us with accurate predictions of the future we can depend upon." reports Steve Smith the Supply Chain Manager.
