

CASE STUDY

Quantzig's Supply Planning Solution Helps a CPG Industry Client Better Manage Inventory



The client: Consumer packed goods manufacturer

Area of engagement: Supply planning

Typically, the [global consumer packed goods](#) (CPG) industry consists of establishments involved in selling toiletries and cosmetics, appliances, and food and beverage. The global CPG industry acts as a foundation for the contemporary consumer economy as it not only drives enormous amounts of money into other businesses like advertising and retail but also generates an immense portion of the gross domestic profits (GDP) for nations across the globe. Lately, the CPG industry has started witnessing a move from offline to online channels to gain a stronger footing in the market despite slowing GDP growth and weakening currency values. Moreover, CPG industry players are thinking beyond conventional shopping to create and enhance shopping customer experience owing to the recent digital advances.

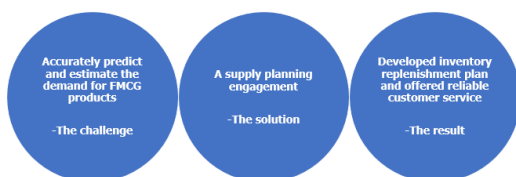
However, several factors are expected to hamper the growth of the CPG industry. These factors include:

- **Fluctuating consumer demands:** CPG industry players need to be more dynamic, and consumer-focused as the consumer needs and demands are fluctuating. Additionally, over the past few years, consumer preferences have transformed and moved toward more sustainable options. As a result, the success and profitability of CPG industry firms are dependent on how they cater to the changing needs of consumers and reduce the risks.
- **Decreasing operating margins:** CPG industry firms need to take into consideration the volatilities in the pricing of oils and their outcome on transportation costs. This is because there is an upsurge in need to supply high-quality products while being cost-effective.

Many such factors are compelling firms in the CPG industry space to leverage the use of supply planning solutions. [Supply planning](#) solutions help firms in identifying the type of raw materials, goods, and the quantity to be procured. Additionally, these solutions help firms in restructuring and augmenting supply chain management activities.

The Business Challenge

The client, a leading player in the CPG industry space, wanted to predict and estimate the demand for FMCG products accurately and match the requirements of consumers. The client also wanted to ensure that the goods are produced at the right time and delivered seamlessly to avoid inconsistencies and errors in the supply. With the help of supply planning solutions, the client also wanted to seek ways to formulate reliable market forecasts and enhance customer service levels.



The Solution and the Business Impact

[Quantzig's](#) supply planning engagement helped the CPG industry client to take into consideration the seasonality, tendencies, and the cost of production to decrease stock-outs. Additionally, the engagement helped the client predict customer demand patterns and accordingly meet the production requirements.

Supply Planning Solutions Predictive Insights

With the help of Quantzig's supply planning solutions, companies can increase forecast accuracies and enhance version management capabilities. Additionally, firms can develop a robust inventory replenishment plan to offer consistent, reliable customer service; thereby, drive significant improvements in the supply chain performance.