

Kormotech



"R+ is the next step in planning. I always know what is necessary to produce and the optimal time to produce it."

ROMAN DYDA | PRODUCTION PLANNING MANAGER

BUSINESS CHALLENGE

Kormotech is a Ukrainian-based company that produces high quality pet food under its own brands and private label. Launched in 2003, Kormotech is striving to become a Top 50 global industry leader.

The company has a high-tech manufacturing facility for dry and wet foods and produces 43,000 tons of pet food per year. Its warehouse area is more than 61,000 square feet that holds more than 4,000 pallets, and they export their products to 18 countries worldwide.

The company determined that the raw material stores were overfilled with inventory, but at the same time there was a constant shortage of materials, which lead to the non-fulfillment of the production plan. A similar situation was also occurring with the finished goods inventory at the distribution center. These inefficiencies contributed multiple supply chain problems including:

- Low service levels
- Excess inventory value
- Long lead times

SOLUTION

Kormotech implemented Replenishment+[®] from Demand Driven Technologies. Using the Demand Driven MRP (DDMRP) concepts in the solution, they embarked on a two-phased approach to address these inefficiencies and saw benefits within the first 4 months.

First, they repositioned inventory at raw materials and finished goods level and structured products based on reliability, lead times and cost optimization. This approach provided immediate results reducing lead time from 17 to 9 days and shrinking inventory value by 25%. Next, using the Replenishment+ DDMRP buffers, changes are automatically adjusted depending on the rate of consumption.

As a result, their supply chain data is now easily interpreted and provides company-wide visibility with a clear understanding of the work of each department. Additionally, the quality of the data has improved, enabling planners to make decisions faster, approve orders in batches and access detailed information about part and part history to make informed decisions.

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