

OFD Foods



BUSINESS CHALLENGE

OFD is the world's largest custom processor of freeze-dried products. They product the Mountain House® line of freeze-dried foods for outdoor recreational use, and their products are key components in some of America's largest food companies, including lunch and dinner entrees for the NutriSystem weight-loss program and Kirkland Signature™.

With its affiliate, European Freeze Dry, they are leaders in both global reach and the variety of uses in which freeze drying technology has been successfully applied. However, inefficiencies in their global supply chain led to numerous challenges including:

- Late shipments
- Retail stock outs
- Lost sales opportunities
- Costly expedite expenses – Overtime, late shipments, and premium freight

SOLUTION

OFD met these challenges by initially embracing and implementing the key Demand Driven MRP (DDMRP) concepts. Once these critical DDMRP components were established, they implemented Replenishment+® software from Demand Driven Technologies and began seeing immediate results in less than 4 weeks in multiple corporate divisions.

In the first year, raw material inventory decreased approximately 30% with no reduction in availability. The implementation of a powerful DDMRP-based solution has led to a 13 times growth in sales which required only a 2 times growth in inventory. Additionally, they have maintained an on-time delivery rate of more than 98% while gaining substantial improvements in inventory turnover and working capital leverage.

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