

## CASE STUDY

# Food Supply Chain Management and Logistics Solutions Helped a Frozen Food Manufacturer to Reduce Inventory Cost Through Digital and Analytics-Driven Demand Sensing



## Engagement Summary

The global pandemic has disrupted and altered the global food supply chain management and logistics norms. Safe and stable food supply chain is now a necessity for the [food and beverage market](#). A resilient supply chain management and logistics is now a pre-requisite to attaining profitability in a business. Ever since the deadly COVID-19 virus has spread, food safety and quality standards have changed. Thus, food manufacturers worldwide now have to play by a new set of rules to stay in the market. Companies in the food and beverage market face new risks and uncertainties across their supply chain, right from farms to end consumers. Most food and beverage companies have also witnessed abrupt cancellation of orders, leading to excess inventory stocks. This frozen food manufacturer is one of those companies that faced a 12% decline in orders and substantial losses due to the abrupt cancellations. They approached Quantzig to improve its global supply chain management.

Quantzig has provided excellent supply chain analytics solutions that offer granular insights into global food supply chain processes.

## About the client

The client is a multinational frozen food manufacturer. They are well known for their variety of frozen food offerings that include both plant and meat-based products.

## Business Challenge

Like this client, food manufacturers and processors are highly dependent on a stable food supply chain, with incoming upstream orders and outgoing downstream orders. Their business margins also depend on the equilibrium of a steady flow of orders. Due to the pandemic outbreak, this frozen food manufacturer faced a issues around order management instability due to global lockdowns. The inbound orders were already coming in a while; there was a sudden and steep decline in outgoing orders. The main problems faced by the client were:

1. Reduced consumer spend- Before COVID19, the consumption patterns were different. With a global lockdown, the frozen food manufacturer witnessed a steep decline in fast food restaurants' orders, resulting in excess stock and increased inventory management cost.
2. Inefficient food supply chain management and logistics processes- The client was previously having a set of permanent production channels. With the onset of lethal coronavirus, they experienced the inflexibility of their global supply chain management. Reasons such as a change in food safety norms, global lockdown, and cost of installation of new supply chain solutions took a toll on them.
3. Dynamic demand patterns – Customer needs became dynamic and changed very frequently. In such a scenario, the client's inability to analyze the existing and upcoming demand pattern resulted in severe losses.

No matter how complex your supply chain is, we have the expertise, experience, and global presence to help you improve order management and logistics from source to end. to know more.

## Solution Offered and Value Delivered

The supply chain analytics experts at Quantzig analyzed the client's sales data to predict the seasonality and analyze the highest sales record within the frozen food market. Insights obtained from this analysis helped identify the forces which were driving the market demand. At the beginning of this collaboration, our experts highlighted the primary concern: the challenges for food supply chain management and logistics will continue to rise until companies keep pace with market demands and government policies.

Thus, our food supply chain analytics experts in the initial phase of this collaboration focused on restabilizing the client's value chain. In the second phase of this success story, our experts implemented a digitalized demand sensing model that focused on predicting upcoming demand. The implementation of the digital demand sensing model also helped the client meet customer expectations while reducing the inventory management cost.



## Business Outcome

By leveraging Quantzig's food supply chain analytics solutions, the frozen food manufacturer and processor was able to-

- Increase sales by 34%
- Improve their supply chain and logistics management processes
- Enhanced agility of their global food supply chain
- Reduce inventory maintenance cost by 28%