



Service is important

How service optimization changed
Findus working capital agenda



Findus in brief

- Number 1 in frozen food in the Nordic market
- We offer natural, nutritious and great tasting food solutions delivered with quality, passion and from sustainable sources
- 4.5 bM SEK (526 M€) 1100 employees
- Based in Bjuv, Sweden, Oslo and Helsinki. Part of Findus Group
- 5 production facilities in Sweden and Norway (177.000 ton)
- Retail, FoodService, Export & Industrial
- Findus is owned by Private Equity



Well-known brand

Delivering iconic products and leading food innovation

More than 70 years experience



1940



1942



1952



1971



1985



Today

Iconic products



WOK



Peas



Cod



Fish fingers



Norwegian fish au gratin



Today's lunch

Broad assortment



Raw fish



Coated fish



Vegetables



Potatoes



Sauces



Steamed vegetables



Cook (WOK 2.0)



Fish au gratin



RTEM – multi portion



RTEM- single serve "Classic"



RTEM- single serve "World selection"



Bakery



Vegetarian



Shelf stable: mayonnaise, pasta sauces, soups, mix



Findus Supply Chain

Level of complexity

- 800 FG - >20% replaced yearly
- 2000 RM from all over the world
- 4 factories 23 production lines
- 1 Swedish DC
- Replenishment to Finland, France & Norway
- 15 major customers – hundreds of small
- Scattered system landscape (SAP, Movex, M3, TXT, Infor,...)



Project Background

New ownership seeking for new opportunities

- Working capital important for future investments!
 - Working capital important for future company value!
 - Working capital is too high!
-
- Service must improve!



Some questions to answer

- Why can't we get lower?
- Is our process not fit for purpose?
- Is something missing in our current process?
- Should we run it more frequent?
- Why is inventory not visible for the team?
- Why is there so much inventory AND stock-outs?
- How can we get to the next level?

We needed a new way of working!



Is there an answer to our questions?

Someone must have done this before?

- There are many options
- Experiences
- Benchmarking

- We nominated Opton and SO99+
 - Explained the difference
 - PoC possibilities
 - Differentiated by its flexibility and support
 - Proven track record with strong references at hand



Project Approach

Reasons for success

- Strong partner
- Clear targets
- Roughly right
- Small team
- Agile model development
- Controlled data model
- Application fit
- Pre-study – Proof-of-concept – Implementation



Project outcomes

Findings and Results

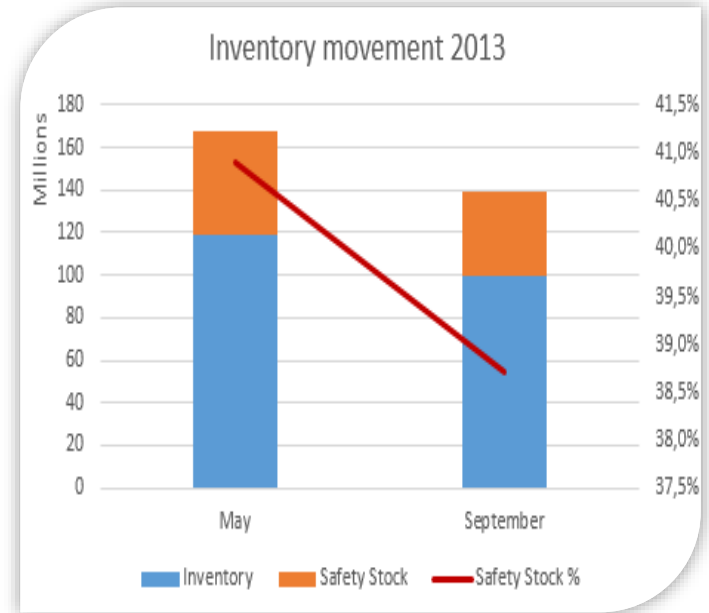




We started off with reductions

\$ is understood by everybody

- We made small adjustments every month for 5 months
- We had no negative service impact as we took out waste
- We proved the model for the team





FMCG – things are changing

We had to do something about our service

- Inventory remix starts
- Scenario modelling
- New service class
- New standard





Project outcome – Working Capital

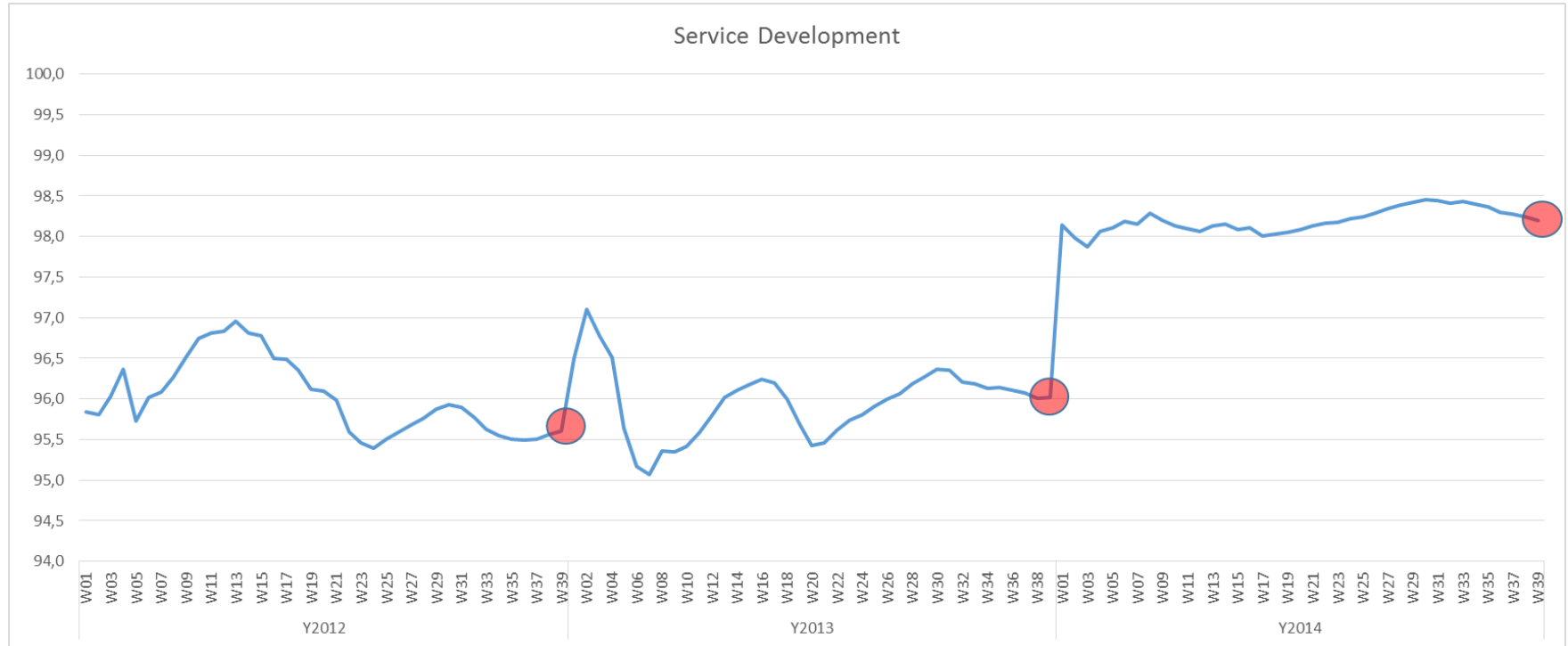
Lower AND higher levels of inventory – remix





Project outcome – Service Level

Inventory remix created a step-change





Was it difficult?

From As-Is to To-Be

- Organizational barriers
 - The planners were in control
 - Strong belief in own ability and understanding
 - Lack of visibility
- Acknowledge planners knowledge
 - Information and Expectations
 - Small steps – no set-backs
 - Change with planner veto
- Integrations to enable iterative development and model analysis
- Cut loose



Now what?

A lot of opportunities left

- Increase level of details and data quality
- Integrate into our IBP process
- Roll-out Finland and Norway
- Challenge our current demand planning tool
- FMCG = campaigns – Can we improve with Trade Promotions?



Investment instead of inventory





Thank you!

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