

CASE STUDY: CHIVERS

PARK CITY GROUP HELPS MANUFACTURER OUT OF A PLANNING JAM



Makers of the finest preserves for more than 60 years, Chivers is a brand leader in Ireland, producing 60% of all preserves sold. The company is also a leading exporter to major overseas markets. This international position is based on Chivers maintaining a tradition of first-rate customer service, commitment to innovation and, above all, an outstanding quality range of superb products.



CLIENT:

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-David Brady, IT Manager
Chivers

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CHALLENGE: SUPPORTING FUTURE BUSINESS GROWTH

As well as the preserves that proudly carry the Chivers' name, Chivers makes quality jams and marmalades for many private label brands at its Dublin plant and also acts as an agent and distributor for a variety of the leading imported grocery brands. In order to support future business growth and its position of leadership and quality, Chivers decided to make a strategic investment in supply chain planning software from Park City Group. "We needed something that would enable us to efficiently meet our customers' requirements and our existing system did not effectively support our forecasting, planning and scheduling needs," says Cathal Drohan, Chivers' finance director.

"One of our key goals was to substantially reduce our stock of finished goods, reducing our manufacturing and inventory carrying costs at the same time as increasing storage capacity for our range of imported goods which we saw as a growth area. Needless to say," he adds, "we need to do this and to continue to enhance our currently excellent levels of customer service."

SOLUTION: PARK CITY GROUP FORECASTING GELS

As David Brady, Chivers' IT manager points out, "It all begins with a good forecast. This affects every step of the process from procurement, through manufacturing to distribution. Before installing the [Park City Group] software, all of our forecasting and planning was done manually, which was a complex and time-consuming process, and was highly dependent on one or two key individuals. With over 500 line items, our business is very complex for its size and getting more complex by the day, and we wanted to be able to produce better forecasts and plans, cut our stock levels and lead times, and respond more quickly."

What were the selection criteria? "Well," says Brady, "we were looking for software from a single supplier. Not only did we require a complete supply chain suite, but we needed a system that could help us plan and schedule our manufacturing operations and our distribution business in the one package. With our IT and end-user resources already being fairly stretched, ease of use, ease of implementation, ease of integration with our existing systems and ease of maintenance were all critical requirements. The Park City Group solutions seemed ideally suited to meet all of our needs. They were already proven in food applications, but before selecting them, we ran some trials of the products with our own data. They proved to be very effective in their ability to model our business and include our business rules, and uniquely, handled both our manufactured goods and imported distributed products."

RESULTS: SMOOTH RESULTS

Unlike a lot of systems, Park City Group was very easy to use. "This was reflected in the training requirements," says Brady, "which were, for example, about 2 days for the APS Workbench. There are not many advanced planning and scheduling systems where you can say that! We particularly liked the fact that we could quickly set up what-if simulations, and instantly see the results in graphic form." Using best practice guidelines, Chivers chose to focus initially on forecasting and demand planning before implementing the supply side planning of their imports and manufacturing business.

"I think I can safely say that the project has exceeded our best expectations," says Cathal Drohan. "Having completed the implementation of the forecasting and imports planning alone, we have managed to reduce stocks by about 10% [while] improving our already excellent customer service levels by 1/2 to 1%. By achieving this, we have also created much needed warehouse space for our rapidly growing imports business, a critical business enabler. When we complete the manufacturing planning phase and take into account the benefits from stock reductions in our manufactured finished goods and raw materials stocks, we expect that these benefits will more than double. The net effect is likely to be a 10-fold payback in just 2 years."

"From an IT and end-user perspective," says David Brady, "we now have better decision support, with less dependence on the limited availability of our skilled planners. The users love the ease of use of the systems, and from my perspective, the fact that system maintenance is so straightforward is a major benefit."

"We have always seen our relationship with Park City Group as a long term one," concludes Cathal Drohan. "With the need to continually improve customer service, and the inevitable move towards e-commerce, we are particularly excited about Park City Group's products for collaborative forecasting & planning. I am sure we will continue to work closely together in the future."