

# CASE STUDY: SUNNY DELIGHT BEVERAGES CO.

## VENDOR MANAGED INVENTORY YIELDS DELICIOUS RESULTS



For more than four decades, Sunny Delight has earned its place among the most recognized brands in the juice section. SunnyD Original, SunnyD Orange Blends, SunnyD Intense Sport and SunnyD Baja comprise a global business with a worldwide following.

In 1960s Florida, when Sunny Delight launched, few could have predicted the era of multi-national consumer packaged goods and subsequent mergers and acquisitions making headlines today. Nor could they foresee the challenges inherent in those transactions.

### CLIENT:

"We had an immediate ROI and have outsourced VMI to Park City Group ever since. With Park City Group on the job, we get supply chain technology, but we also get an extension of our own operations team with deep experience in servicing retailers and using technology to grow the business."

-Jim Glendon, Supply Chain Manager  
Sunny Delight Beverages Co.

To find out more about Park City Group solutions, call us at 435-645-2000 or visit us on the web at [www.parkcitygroup.com](http://www.parkcitygroup.com).

### CHALLENGE: BRAND CHANGES HANDS

Fast forward to 2004, J.W. Childs, a Boston-based private equity firm, acquires Sunny Delight from Procter & Gamble (P&G), and forms the Sunny Delight Beverages Co. In less than one year, Sunny Delight brands were completely autonomous—and its newly independent supply chain had to be fresh and flawless like its flagship beverage. So, how did Sunny Delight accomplish that? By implementing Axapta, Microsoft's mid-market ERP application and Park City Group's entire suite of supply chain solutions.

Getting the IT infrastructure in place was only half the battle for Sunny Delight. As part of P&G, Sunny Delight had established strong relationships with retailers — retailers who were used to a high standard of service. Sunny Delight now had to live up to that standard on its own. In all, Sunny Delight was conducting vendor managed inventory (VMI) with 25 trading partners who spanned across 67 warehouses.

While Park City Group was able to power Sunny Delight's supply chain, it quickly became clear that a well-managed VMI program would be a vital ingredient to success. And, because there was a very short window between implementing the VMI program and going live, Sunny Delight couldn't afford to make a mistake.



### SOLUTION: VMI AND OUR PRODUCTS SWEET

That's why Sunny Delight turned to Park City Group to manage its VMI program. Park City Group provided an end-to-end VMI solution, from hosting the software to outsourcing analyst services. Because VMI is so complex, its success hinges on the supplier's ability to understand, interpret and act on the data provided by the retailer. The person driving the process needs to know all the critical aspects of VMI, and Park City Group has the know-how, based on years of providing proven and effective VMI solutions.

Case in point: Park City Group's VMI analysts spearheaded management of a weeklong inventory buffer and accelerated response time for concerned customers to ensure a seamless transition from the P&G portfolio.

The time Sunny Delight saved on implementation, staffing requirements and training allowed the company to get its VMI effort running in just eight weeks. Without exception, Sunny Delight trading partners enjoyed same-day response and resolution as the new supply chain kicked into high gear, with Park City Group interacting directly with retailers.

### RESULTS: SUPPLY CHAIN AND VMI BLEND YIELDS DELICIOUS STATS

- Across the board, Park City Group reduced days of supply at all accounts, while increasing service levels to 95 percent - 100 percent.
- In at least one case, H-E-B, who previously cited too much or too little inventory, now credits Park City Group's VMI solution with improving SunnyD performance in less than four months.
- Sunny Delight was named a "Top-Three Analyst" with a 98 percent service level.
- Having sound VMI relationships with its trading partners enabled Sunny Delight to seamlessly introduce new product SunnyD Baja ahead of schedule and to twice the original estimate of distribution locations.
- Sunny Delight has completely outsourced VMI to Park City Group, enjoying best-of-class technology and extremely high service levels, and is now introducing new trading partners and distribution centers at will.