



CONAGRA FOODS INC.

OPTIMIZING INVENTORY THROUGH SAP AND PARTNER SYNERGIES

QUICK FACTS

Industry

Consumer products

Revenue

US\$11.6 billion

Employees

25,000

Headquarters

Omaha, Nebraska

Web Site

www.conagrafoods.com

SAP® Solutions and Services

- SAP® Supply Chain Management application
- SAP Advanced Planning & Optimization component of the SAP Business Suite family of business applications

Partner

SmartOps Corporation

Key Challenges

- Optimize inventory decisions while paring down 11+ supply chain planning applications
- Execute effective inventory decisions by applying a consistent approach across locations

Ecosystem Engagement Highlights

- Took advantage of SmartOps' participation in the Industry Value Network group for consumer products
- Leveraged SmartOps' in-depth knowledge of industry best practices to implement in 7 months and within budget

Ecosystem Component Engaged

SmartOps Multistage Inventory Planning & Optimization, an SAP-endorsed business solution provided by SmartOps, an SAP® software solution partner and member of 4 groups within the Industry Value Network program

Benefits

- Gained ability to dynamically and automatically update inventory targets across the enterprise
- Reduced finished goods inventories in targeted operations by 7%
- Raised forecasting accuracy by 30%
- Improved store in-stock rate by 0.7%
- Enhanced case-fill on-time rate by 0.2%
- Maximized value of investment in SAP software

Lesson Learned

Connect with other SAP customers to learn how they are addressing similar issues

Next Steps

- Access communities and forums to find out how others are using the solutions in their business processes
- Reach out to other SmartOps customers to leverage insights before upgrading



“The synergies between the SAP software and SmartOps solution help us extract the most value from our existing SAP software investments and achieve our goals of optimizing inventory. The results are a true testament to the value of the SAP ecosystem.”

Steve Vielmetti, VP, Demand Planning and Supply Chain Optimization, ConAgra Foods Inc.

ConAgra Foods Inc. wanted to optimize inventory decisions while paring down the number of applications used to manage its supply chain. First it standardized on the SAP® Supply Chain Management application and SAP Advanced Planning & Optimization (SAP APO) component of the SAP Business Suite family of business applications. Then, with an SAP-endorsed business solution and support for industry-specific best practices from SmartOps, it extended the value of those solutions to drive order quantities.

Background

ConAgra Foods Inc. is one of North America's largest packaged food companies. It also provides food and ingredients to major foodservice establishments and commercial customers worldwide. ConAgra Foods' brands and products help fill the pantries of 95% of America's households.

While ConAgra Foods relies on SAP® software to power a number of its enterprise business processes, it was using more than 11 disparate systems – none from SAP – for supply chain management.

Challenge

Wanting to substantially improve sales and earnings while dramatically cutting costs, ConAgra Foods turned its attention to supply chain performance. The company decided to start by reducing its overall inventory. Specifically, it wanted to reach the top quartile of the industry in terms of case-fill on-time rate and forecasting accuracy. Given the sheer

complexity of running a large company with many brands and distribution centers, ConAgra Foods knew it could not execute inventory decisions effectively without a consistent approach across all locations.

The company's first order of business was to select a single, integrated application suite to replace its disparate systems. After evaluating a number of solutions from a variety of vendors, it found what it was seeking. It selected the SAP Supply Chain Management application and the SAP Advanced Planning & Optimization (SAP APO) component of the SAP Business Suite family of business applications. With that foundation in place, ConAgra Foods began to consider how to optimize its inventory.

Results

SmartOps, an SAP software solution partner, had contacted ConAgra Foods during this time frame. The two companies began to explore how SmartOps Multistage Inventory Planning & Optimization, an SAP-endorsed business solution, might address the company's issues. SAP

participated in key meetings to ensure that ConAgra Foods understood the extent of the synergies between the SmartOps and SAP solutions. ConAgra Foods ultimately chose the SmartOps solution for two reasons: SAP had validated the technical underpinning of the SmartOps solution, and the applications work smoothly with each other and with all of ConAgra Foods' SAP applications.

SmartOps is a member of four groups within the Industry Value Network program – including the Industry Value Network group for consumer products. Using industry-specific expertise gained via its participation in the program, SmartOps enabled a fast deployment. Specifically, a tailored implementation methodology along with SmartOps' in-depth knowledge of SAP APO and industry-specific best practices helped ConAgra Foods implement in seven months and within budget.

Leveraging the SAP ecosystem also enabled ConAgra Foods to maximize the value of its existing investment in SAP software. With the SAP and SmartOps solutions in place, ConAgra Foods can dynamically and automatically update inventory targets across the enterprise to drive order quantities within the SAP applications. Since deploying the solutions, the company has increased its forecasting accuracy by 30% and its case-fill rate by 0.2%, while reducing finished goods inventories in targeted operations by 7%.

SmartOps®

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