

Case study

Demand Planning, Supply Planning, Sequencing



Swire Coca-Cola Increases Forecasting and Planning Accuracy for Greater Responsiveness

Results

- Increased forecasting and planning accuracy
- Improved market responsiveness
- Optimized production and service
- Reduced production changeovers by 5.2%

Increasing responsiveness to demand volatility via planning automation:

“With our business growth and increasing production complexity, we need an automated system to perform forecasting and production planning at much higher accuracies. Thanks to Blue Yonder’s Planning solutions, we’ve been able to improve our forecasting accuracy and reduce the number of changeovers and changeover times. Blue Yonder will play a key role in helping us meet our challenges as we continue to grow.” — **Zhao Guangxu, Director of Supply Chain Planning, Swire Coca-Cola China**

Swire Coca-Cola is a wholly-owned subsidiary of Swire Pacific Limited, which is the fifth-largest bottling partner of The Coca-Cola Company by global volume. Swire Coca-Cola has been working with the Coca-Cola Company for more than 50 years. With 36 bottling plants and approximately 39,000 employees, Swire Coca-Cola is a full-category beverage company that provides more than 60 beverage brands to more than 880 million consumers in Greater China, Cambodia, Vietnam and the western USA. The company has diversified product categories.

Business challenge:

Swire Coca Cola operates 24 factories in 12 provinces and cities in China (mainland), specializing in the provinces of Henan, Anhui, Jiangsu, Zhejiang, Fujian, Guangdong, Hubei, Jiangxi, Guangxi, Hainan, Yunnan and Shanghai. It has about 24,000 employees with coverage of 700 million consumers in China (mainland). As both demand volatility and product complexity grew, the company needed to increase its forecasting accuracy — as well as the speed, accuracy and responsiveness of its supply and production planning processes.

The Blue Yonder solution:

A long-time user of Blue Yonder demand planning, Swire Coca Cola recently added supply planning and production sequencing capabilities. Today the company has a unified, end-to-end planning process from forecasting to supply planning, production master planning and factory sequencing. Swire Coca Cola can optimize the flow of products from production to distribution, which is key to balancing demand and supply across all its markets.





Optimizing service, cost, asset utilization and planner productivity:

Blue Yonder has helped Swire Coca-Cola achieve higher planner productivity, better inventory management and an improved understanding of demand drivers and customer behaviors. We can optimize our demand, supply and production planning solutions to simultaneously balance customer service, cost and utilization outcomes — while also respecting complex manufacturing constraints and rules.

Improving agility by implementing a daily planning cadence:

Previously Swire Coca-Cola relied on a weekly forecasting and production planning cadence. However, that limited our ability to respond to fast-changing market conditions. Blue Yonder enables us to forecast and plan on a daily basis, which supports greater agility. Blue Yonder's automated planning capabilities have also reduced our time required for production planning in our Zhejiang factory by 76%, supporting a faster response in our factories. Blue Yonder also increases our near real-time visibility into network-wide inventory levels. As demand changes, our entire supply chain can respond in a synchronized manner.

Reducing changeovers drives cost and service benefits:

Production changeovers are not only expensive, but they also slow our response times and reduce our production efficiency. Blue Yonder helped decrease the overall number of changeovers at our Zhejiang factory by 5.2% year-over-year. The time required for changeovers at that facility was reduced by 6%. This positively impacts our productivity and profitability.

Solution benefits:

- Blue Yonder's demand planning capabilities consolidate near real-time demand signals, as well as external variables, across Swire Coca-Cola's markets. The company can react swiftly when conditions change and continue to make accurate, profitable decisions about production and inventory staging.
- Supply planning and production sequencing capabilities from Blue Yonder automate the analysis of diverse factors such as demand signals, customer service targets, safety-stock policies and shelf-life constraints. The result? More accurate, profitable plans that match supply with demand.
- Swire Coca-Cola's end-to-end Blue Yonder Planning solutions enable the company to manage the inflow and use of raw materials, as well as intelligently and profitably distribute manufacturing tasks across its production network. They support a synchronized response across the supply chain.

Blue Yonder's expertise:

"Blue Yonder's Planning solutions have helped Swire Coca-Cola achieve end-to-end supply chain visibility and orchestration. We consider Blue Yonder to be a partner in our supply chain transformation journey as we continue to increase our planning speed, efficiency and accuracy. As our strategy evolves, Blue Yonder will help us continuously improve our operations."

— **Zhao Guangxu, Director of Supply Chain Planning, Swire Coca-Cola China**

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