



# SOLVOYO



## S&OP Process That Elevates Business Performance

## ABOUT DUZEY

Duzey Pazarlama A.S. is Turkey's leading distributor of consumer packaged goods (CPG) and is part of Koç Holding – Turkey's largest industrial conglomerate. With a product portfolio including international brands such as Kinder, Nutella and Ferrero as well as top Turkish CPG brands such as Tat, Maret, and Pastaville, Duzezy has a product portfolio of over 1,000 fast moving consumer packaged goods. Duzezy's products are sold at over 76,000 point of sale locations all of which are supported via the Company's supply chain network consisting of 9 regional warehouses and 62 distribution centers spread across the country.

## DUZEY'S CHALLENGE

As a decentralized company, Duzezy had different teams and tools managing demand forecasting, inventory, fulfillment, transportation and warehouse planning. The cacophony of tools meant that organizationally Duzezy lacked end-to-end supply chain planning and visibility across supply chain silos, having to spend arduous hours updating, reviewing and merging spreadsheets and other database viewing tools.

Symptoms of this challenge increasingly grew as inventory deployment across Duzezy's multi echelon network proved less than optimal. While Duzezy's regional warehouses consistently carried higher levels of inventory than the Company target, the regional distribution centers supporting the 76,000 direct sale locations often saw shortfalls and lost sales. With a perishable CPG product, the cost of failing to move the right product in a timely manner often meant product waste which further impacted Duzezy's operational performance.

Duzezy's challenge was to bring all these disparate supply chain functions under one collaborative umbrella yet allow different groups to operate in a decentralized fashion that remained consistent with Duzezy's organizational ethos. With consumer demand for Duzezy's FMCG products fast-changing, Duzezy set out to build a Sales and Operational Planning (S&OP) process that would provide optimal fulfillment plans, greater supply chain visibility and promote closer and rapid collaboration across marketing, operations, distribution, and finance. The end goal of the S&OP process for Duzezy was to improve forecast accuracy, lower inventory investment, reduce waste and improve service levels.

## THE SOLVOYO SOLUTION

Solvoyo deployed its S&OP platform at Duzezy and tied it to Duzezy's execution systems. The goal was to meet Duzezy's exact needs and requirements by correctly configuring Solvoyo's *Elevation Platform* during the onboarding process.

In pursuit of better forecasting at Duzezy, Solvoyo configured its Platform and provided a web-based collaboration capability that automatically (i) brings in historic and actual business data; (ii) combines data across multiple regions, channels, or product lines; (iii) calculates forecasts and life-cycle curves based on trends and seasonality including annual, monthly and weekly variations; and (iv) incorporates marketing insights about promotions derived from a unique Solvoyo-developed statistical approach.

The SKU-based forecast output, including historical error calculations, demand variability, supply variability, frequency and lot size of shipments, is then fully integrated with the inventory optimization algorithm that calculates appropriate safety and cycle stocks for each of the 1,000+ products for the 8 regional warehouses and the 62 distribution centers that are part of Duzezy's supply chain network. Everyday, Solvoyo's *Elevation Platform* automatically determines optimized replenishment plans - taking into consideration constraints such as minimum/maximum order limits, warehouse loading capacity, and supplier credit terms -

accompanied by an exception list, and makes them available to different functional leaders to review. In addition to supporting daily planning, the Solvoyo *Elevation Platform* also forms the basis for weekly and monthly S&OP meetings.

Solvoyo platform is tightly integrated into Duzey's execution system so as to close the gap between the S&OP planning process and actual business actions. The replenishment plans are automatically fed into Duzey's TMS (Transportation Management System) for execution. At the end of a planning cycle, the executed orders, sales data and inventory information are all fed back into the Platform to create a feedback loop that makes the S&OP process at Duzey a wee bit smarter every day.

## RESULTS

Solvoyo was able to configure and onboard Duzey into the S&OP platform within 5 months of project kick-off. Since the go-live over six months ago, Duzey has already experienced:

- Over 20% improvement in forecasting accuracy
- Around 10% reduction in overall inventory investment
- Around 15% reduction of waste in perishable stock
- Reduction in lost sales by 10%

The success of Duzey's S&OP process is directly attributable to the increased collaboration across different silos within the company. Furthermore, due to the platform providing automated daily replenishment planning and visibility of decisions, Duzey also experienced considerable gains in productivity and drop in errors due to human factors. By centralizing S&OP around a technology platform that brings people together – Duzey built a better S&OP process using the Solvoyo Platform.

To learn more about Duzey's S&OP experience or how Solvoyo can make a similar impact on your organization, please reach out to us.

## ABOUT SOLVOYO

Solvoyo is an enterprise software company based in Boston, MA, and Istanbul, Turkey. We bring your business significant value through the use of innovative supply chain optimization techniques that help you minimize costs while you maximize customer service and profit.

We offer the only platform that allows you to perform your strategic, tactical, and operational supply chain planning -- and with a common data model. We are unique in being able to plan inventory, orders, and transportation concurrently. By optimizing across your entire network, as opposed to individual silos, you get business results and benefits that are multiples of traditional solutions. Concurrent planning, combined with the speed of our models, allows us to implement Closed-Loop Operational Management Solutions.

We make it easy for you to get immediate benefits -- our Software-as-a-Service based Elevation platform is implemented very quickly. When combined with our pay-as-you-go business model, you get an extremely short time-to-benefit and at a minimum up-front cost. The Elevation platform is based on the latest technology and uses state-of-the-art operations research methods to provide you with a cloud-based offering that integrates seamlessly with existing operational management systems.

We have a Rapid Assessment methodology that will quickly identify your key issues and an economic model that will provide you with order-of-magnitude benefits. We have documented cases where our technology has solved complex, high-volume problems that competitors could not solve at all!

Challenge us -- see what we can do! Call us today and let us demonstrate how Closed-Loop Operational Management can work for you.

You can also obtain more information from our website: [www.solvoyo.com](http://www.solvoyo.com)