



Cereal Maker Enters Whole New 'Bowl' Game with Integrated Supply Chain Model

Global food manufacturer achieved 20% increase in net sales volumes by implementing an integrated and tax-efficient Supply Chain Management hub via SAP Core rollouts.

Client background

The client is a global leader in manufacturing, distribution and marketing of ready-to-eat cereal and convenience foods. Its products are manufactured in more than 30 countries and marketed in over 175 countries across the globe. Over 100 years old, the company is creating a variety of products that best cater to nutritional needs of families everywhere.

Industry landscape

As consumer goods companies introduce more products to gain market share, delays in global supply chains threaten product availability. For the right products to get to the right place at the right time, a demand-driven and collaborative value chain is required.

The opportunity

The client had acquired a billion-dollar company to expand their business in Europe. However, their existing supply chain didn't allow the company to utilize their production capacity to the fullest, thereby leading to revenue losses while having to bear high operations costs. The client realized the need for integration of technology within a short span of time across 4 geographies - APAC, Europe, North America and LATAM. The aim was to align the organization structure, master data and business processes in SAP Finance, Planning, Manufacturing and Supply Chain modules.

The company wanted to put in place a consolidated business hub that would transform processes and double their revenues by 2020.

The solution

The client chose Wipro as their strategic IT partner for SAP Core implementation to integrate the business processes of the new company with the existing ERP system. This was to help consolidate their supply chain/distribution hub in Europe, ramp up their production capacity and drive growth in their snacks-based business.

The solution helped the client:

- Design, implement and roll out components of SAP Finance, Warehouse Management, Sales & Distribution, Procurement and SAP Advanced Planning and Optimization (SAP APO)
- With a Rapid Deployment Solution (RDS) approach (ASAP Methodology) to integrate the application layer of the acquired business and processes
- Automate processes to achieve operating synergies. Wipro recommended simplified demand planning processes as an added outcome of integration

The team implemented the industry-leading SAP APO Direct Forecasting Unit (DFU) Solution to drive greater plan accuracy, lower manual plan rework, help reduce inventory carry and significantly remove stock shortages and obsolescence.

Business impact

Wipro's innovative and timely roll out of M&A integration template saw improvements in supply and demand planning, warehouse management, transportation management, S&OP processes and supply chain network design.

- **20% increase in net sales volumes** by introducing a new supply chain category
- **Incremental revenue of \$23 million** per annum due to re-allocation of product line manufacturing
- **Reduced labor costs by 10%** by lowering manual plan rework and improving planning accuracy
- **Lower Integration Cost:** Process and application integration of the new company's brand into the existing landscape completed in 8 months, leading to cost savings of about \$6 million
- **Transaction Service Agreement:** Helped the client avoid punitive service charges of \$2 million
- **Higher shipping volumes and revenue growth:** Fully automated warehousing and distribution solution for newly acquired product categories increased shipping volumes and led to revenue maximization by 1.2%

- **Improved Demand Planning Accuracy:** Simplification of demand planning processes - acquired snacks aligning with existing cereals business processes

Wipro's rollout of the SAP APO Direct Forecasting Unit (DFU) Solution and RDS approach has positioned the client to double their revenue by 2020.

The client, along with Wipro, received the **Dick Clark CGT Supply Chain Award** for excellence in enabling supply chain transformation.

"Wipro's implementation best practices set the foundation for a quick and successful M&A integration. Our rapid development solution approach and process simplification methodology for consolidating supply chain processes enabled the client to achieve operational synergies. Our proven delivery expertise further drove significant business benefits to the client through overall supply chain cost savings."

Srinivas Sai Nidadhavalu

Global Practice Head - SAP at Wipro

About Wipro

Wipro Limited (NYSE: WIT, BSE: 507685, NSE: WIPRO) is a leading information technology, consulting and business process services company that delivers solutions to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology." By combining digital strategy, customer centric design, advanced analytics and product engineering approach, Wipro helps its clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, strong commitment to sustainability and good corporate citizenship, Wipro has a dedicated workforce of over 170,000, serving clients across 6 continents. For more information, please visit wipro.com or write to us at info@wipro.com