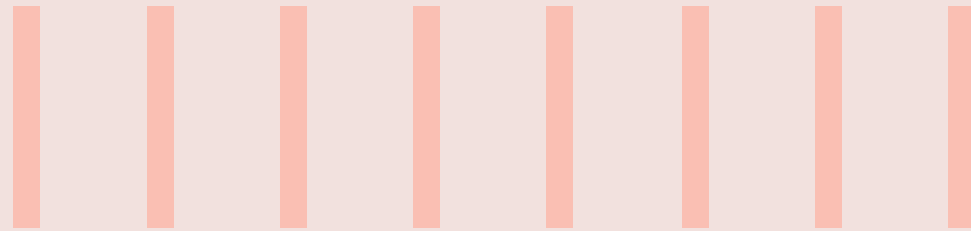




## HOW A CPG LEADER NAVIGATED DISRUPTION WITH A COGNITIVE-FIRST APPROACH



### Abstract

A global CPG leader with a portfolio of iconic brands wanted to overhaul its supply chain operations to boost performance while addressing disruption. The company partnered with Infosys to standardize as well as modernize the planning process and optimize headcount of the planning team. Infosys adopted a cognitive-first approach to deliver significant benefits with scientific planning across the value chain.



## Keeping pace with disruption

The CPG industry has witnessed disruptive changes in the last decade. Global companies are reinventing themselves to stay relevant for digital consumers who seek memorable shopping experiences. While it demands enterprise-wide changes, a supply chain overhaul is imperative for transformation.

The pioneering CPG company had made a public commitment to boost manufacturing and distribution efficiency, and generate billions of dollars in savings over five years.

## Streamlining supply chain operations

The CPG company had to address dysfunction across supply chain operations. A high-performing supply chain was required to become increasingly responsive to digital consumers as well as manage disruption in the marketplace brought about by advanced technologies.

The company prioritized improvement of the planning function. The business issue: a team of 5,000+ planners operated globally in supply chain functions. Planners were working in silos across planning functions, e.g. demand planning, supply planning, distribution planning causing information entropy and sub optimal planning decisions.

The time lag in accessing information between each planning phase required planners to revalidate system recommendations, causing further delays and additional human effort.

For example, every morning, planners had to make sense of recommendations generated from data processed the previous night. Consequently, the recommendations were not relevant to the dynamic demand situation, which necessitated changes and revisiting of business decisions. The CPG company wanted to address these constraints and rationalize costs by leveraging smart technology. In addition, it set an ambitious goal of reducing the headcount of global planners by 90% while at the same time boosting performance and productivity.



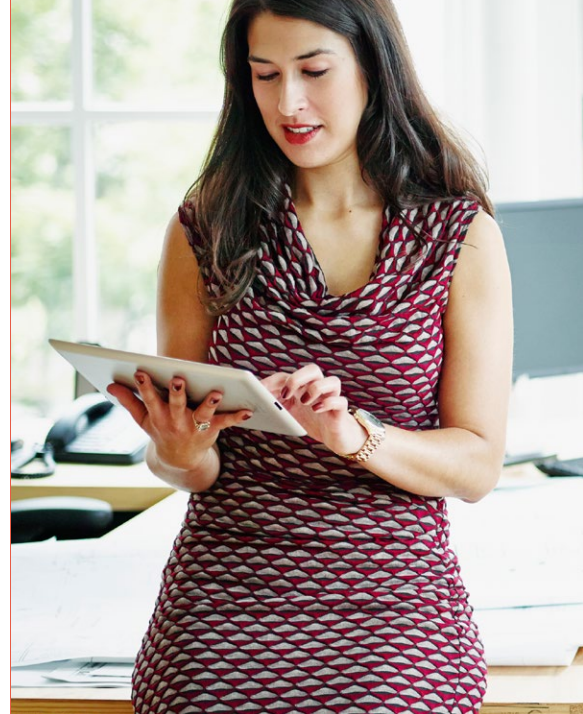
## Envisioning a planning control tower

The Infosys team undertook an elaborate process mapping exercise across the company's seven planning centers worldwide. Our consultants shadowed planners for an intimate understanding of supply chain activities. The outcome: a detailed process plan charting the roadmap for planners to make informed decisions and drive profitability with real-time data.

The Infosys team implemented robotic process automation to support planners. In the absence of standardized planning across service centers, the scalability of process robots was untenable. So, Infosys explored AI/ML solutions to support the decision-making process via human-machine collaboration. Our team developed a machine learning algorithm that examines how decisions were taken

historically and incorporated the business logic into data processing. The planning team steps in to address exceptions, which serves to continuously train the algorithm. In addition, the feedback loop allows the algorithm to promptly sense and respond to shifts in business.

Our cognitive-first approach enables the CPG leader to automate and manage all transactional tasks through smart algorithms. Automation of master data management ensures that performance metrics are readily available, which sets the baseline for continuous improvement. Formerly, planners took three to four hours to ensure that the right inventory was shipped from the right node of the distribution network. Now, our solution enables planners to assign inventory within 10 minutes. The automated solution helps planners navigate supply chain issues by sharing insights and recommendations based on real-time data.



## What we delivered

Infosys enhanced the efficacy of the planning function to drive superior performance across the value chain of the CPG enterprise. Our cognitive-first approach resulted in significant benefits –

- > 50% reduction in planner headcount. A 90% reduction is expected in the foreseeable future. Significantly, planners can now focus on more value-added tasks.
- 0.1% service improvement without impacting supply chain costs
- 1 day decrease in on-hand inventory, leading to savings of US\$ 50 million globally
- US\$ 10 million value accretive due to productivity improvement
- 30% improvement in accuracy of supply chain decisions
- 80% decrease in human effort for distribution requirement planning and availability planning

These outcomes reflect only the distributed requirements planning phase. Several downstream benefits will follow after automating the planning of demand, distribution, suppliers, co-manufacturing plants, and customers.



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