Meijer/ McCormick On Shelf Availability Pilot
Digitization Opportunity
May, 2017
On-going industry challenges

On average, there is a 39% error in forecasting in the CPG industry.

On average, there is 100+ days of inventory in retail and manufacturing supply chains.

8.3% Global average of Retail out of stock at the shelf and that can double during promotions.

Sources:
- Improving On-Shelf Availability, Symphony IRI Group, April 2012
- Forecast Error Benchmarking Across Various Industries - Survey Results, Demand Planning Forecasting Blog, August 2012
New Thinking: One Supply Chain

- WIN-WIN for all participants
- Progressive benefits throughout Good Better Best

Source: Solving the Out-Of-Stock Problem: A GMA/FMI Trading Partner Report Feb 2015

4/5/2017 OSA Steering Team 2017 Collaboration Pilot
Collaboration Maturity Model

- Multiple informal reactive processes
- Informal client meetings to address urgent supply issues
- Constant firefighting
- Knee jerk reaction to shortages
- Open order and order due date reviews.

- Trust building between two willing partners with mutual benefits
- Data sharing begins
- Mfg. & Retailer plans are shared
- Collaborative planning and ordering system support

- Formal Demand, Supply and Inventory planning based collaboration
- Formal Multi Enterprise process with regular interactions between trading partners
- Common KPIs
- Joint planning begins

- Common planning dashboards and information sharing
- Segmentation based planning processes and performance metrics
- “What if” & Root cause capabilities drives profitability and service related decisions

Gartner based collaboration maturity characteristics