



CLIENT CASE STUDY: ARBY'S RESTAURANT GROUP, INC.



Customer Profile

ARCOP, the nonprofit purchasing and distribution cooperative for Arby's Restaurant Group, Inc., is an Atlanta-based company that services more than 3,600 restaurants.

Business Situation

To sustain the commitment to innovation on which the chain was built, and gain an efficiency edge in an increasingly competitive marketplace, ARCOP needed a comprehensive supply chain solution that would give them 24/7 real-time visibility of product movement through the entire supply chain, improve efficiency and optimize Limited Time Offers.

Solution

ARCOP selected ArrowStream OnDemand for its ability to centralize critical supply chain information, gain efficiencies, manage daily inventory positions and understand demands, actively plan and manage promotions, and track product movement from supplier to distributor to the back door of the store.

Benefits

- Precise forecasting for promotions and Limited Time Offers
- Efficiently manage daily inventory: control supply and demand
- Control costs: eliminate over or under-ordering of product

Gaining Connectivity, Visibility & Accuracy

Arby's® Sustains Competitive Edge with ArrowStream OnDemand

Business Situation

ARCOP, Arby's non-profit purchasing and distribution cooperative group, was faced with several critical issues. First, to be competitive and to continue to offer consumers innovative menu items, Arby's needed to increase the number and variety of items (SKUs) that they offered, as well as the frequency and caliber of in-store promotions and limited time offers. To do so successfully, they needed visibility of product movement and dependable connectivity to their distributors to receive accurate information.

Another vital concern for ARCOP was gaining control and increasing accuracy in the request for proposal process. Historically, ARCOP relied on the incumbent distribution center to provide the input numbers for the proposal. If the data proved to be inaccurate, pricing might have to adjust at some point during the contract term, resulting in unnecessary time and costs. This warranted the need to have accurate orders and volume information by item and/or by manufacturer.

Finally, ARCOP was unable to capture and analyze all purchasing data — a critical information deficit that hindered ARCOP's ability to recognize and negotiate volume purchase opportunities with suppliers. Price changes were being implemented at a corporate level, but there was no process in place that effectively informed distributors of the changes, prohibiting the supply chain group as a whole from benefitting from optimal pricing.

Solution

Recognizing these challenges, the ARCOP Board of Directors determined a transformation of its supply chain organization was necessary. The supply chain management team's first priority was to select software that would deliver complete and integrated visibility across the supply chain, allowing a 360 degree view of vital information such as inventory needs and product movement from manufacturer to distribution center to the back of the store, with daily online updates. Equally important was the ability of the chosen software to synchronize this data across all trading partners, allowing them to accurately forecast for promotions or limited time offers and make timely decisions about product movement during events.

ARCOP chose ArrowStream's OnDemand solution because it gave them the ability to carry out all of its requirements and more. Plus, by utilizing ArrowStream's solutions, ARCOP gained access to ArrowStream's Network of more than 2,300 chains, distributors and manufacturers; providing them tremendous operational efficiencies and financial savings.

In addition to complete store visibility and synchronization, ArrowStream OnDemand gave ARCOP the capacity to track all components of their contracts — pricing, terms, length, volumes, and categorize them in an easy-to-view format. This detailed

CLIENT CASE STUDY: ARBY'S RESTAURANT GROUP, INC.

“One of the reasons we chose ArrowStream OnDemand was the depth of the technology offered versus that of other providers.”

– David Cox, President of ARCOP, the Arby's cooperative purchasing group

information is regularly updated, enabling ARCOP to easily identify and correct price variances, as well as recognize opportunities to negotiate. Furthermore, through the change control function of ArrowStream OnDemand, pricing changes are reviewed by individual chain managers and if approved, automatically communicated to the distributor through OnDemand. This feature reduces mistakes and improves workflow by ensuring timely updates of pricing, ordering contacts and other vital information.

Benefits

Reliable Inventory Forecasting

Since the implementation of OnDemand, ARCOP has seen a marked increase in new menu items and in-store promotional events. When ARCOP first started working with ArrowStream OnDemand, they were managing 19 different promotions and 41 new SKUs a year. This past calendar year, ARCOP was able to increase to over 51 promotions and close to 124 new SKUs. OnDemand gives ARCOP the ability to validate supply chain execution by providing a transparent and immediate view of purchase orders, in addition to the ability to set order caps for auto-shipments and the dates and quantities of auto-shipments by distribution center. ARCOP can now scorecard their distribution partners' performance and make timely adjustments accordingly.

Maximize Promotional Investments; Manage Supply & Demand

OnDemand has also increased total return on promotion investments by giving ARCOP the ability to view comprehensive product movement and inventory in near real time in order to make smart, timely decisions. “The potential is great for dollars lost in misdirected inventory cost and ad spending if a store runs out of product three weeks into a four-week promotion,” explained David Cox, president of ARCOP.

ARCOP can now confirm that the distribution centers are carrying inventory at the right levels at the start of a promotion to avoid shortages at any point during the duration of the event. With the detailed view of product status, ARCOP can confidently take action to move product and level out supply during the promotion, especially at the critical end of the promotion.

Control Procurement Costs

Using comprehensive, detailed pricing history from the ArrowStream OnDemand system, ARCOP gains distribution fee stability by controlling the parameters and data within distribution centers' RFPs. This synchronized, real-time data provides a fair and accurate proposal process for distributors and for ARCOP, as everyone is estimating from the same information.

In addition, the aggregated purchasing data from across the supply chain allows ARCOP to monitor un-contracted spend and identify opportunities to negotiate supplier contracts. This new level of spend management results in drilled down visibility of all products, including smaller items that might not yet be under contract, to determine whether contracting such items will yield greater savings. Because ArrowStream OnDemand automates processes and synchronizes with distributors' systems, distributors and chain operators also gain efficiency. ARCOP now has the data they need at their fingertips and no longer needs to call distribution centers for information.

312-267-4400
info@arrowstream.com
www.ArrowStream.com