

Case study

Supply chain planning  
and execution



# PepsiCo Latin America Achieves Over 80% Forecast Accuracy, Driving Greater Precision

## Results

- Achieved a rapid 30% return on investment
- Improved forecast accuracy to 80%
- Increased service levels with reduced inventory

## Minimizing cost-to-serve results in a fast ROI:

“Blue Yonder is delivering huge value because we know how to sell our products, who is buying them, how much they need and what it will cost to fulfill orders. We can make fact-based decisions that minimize our cost to serve, while improving our cash flow and operating expenses. We’ve already generated an early 30% return on investment — and we’re just getting started.” — **Jaime Ponce, Director, Integrated Supply Chain**

With \$7.2 billion in annual sales, PepsiCo Latin America employs more than 70,000 people in 34 countries. Its beverage, food and snack products include major global brands such as Pepsi, Quaker, Lays and Gatorade as well as brands tailored to regional and local markets.

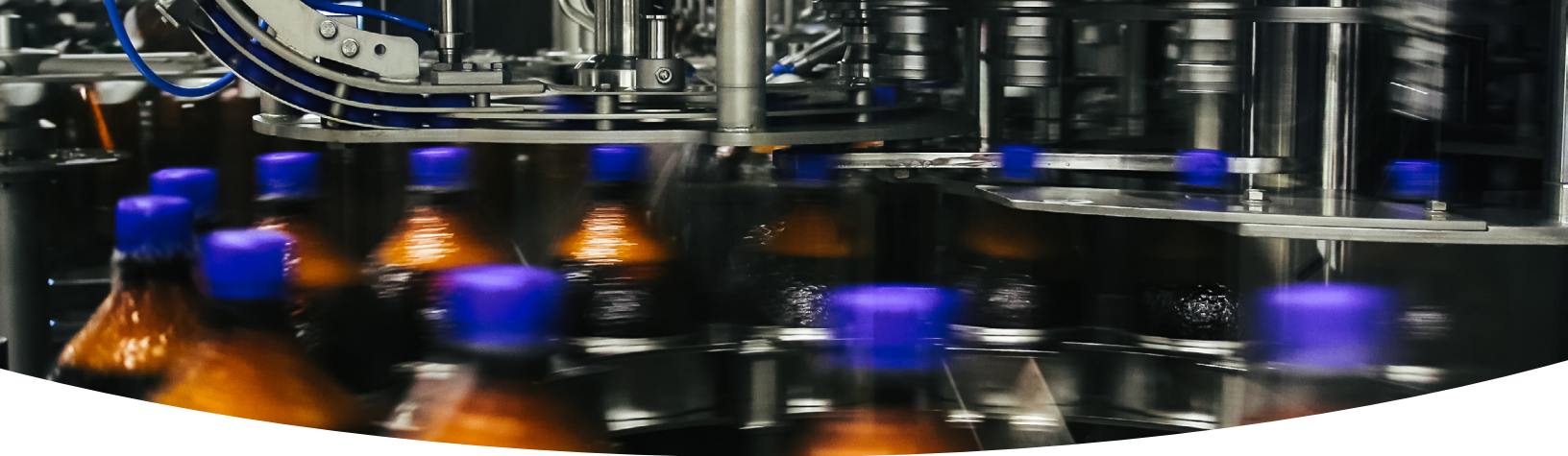
## Business challenge:

PepsiCo Latin America, a long-time Blue Yonder customer, was seeking a customer-focused and perfectly synchronized value chain, supported by standardized usage of its supply planning and execution solutions across 16 countries. As demand variability, materials costs and transportation expenses increased, this value chain would enable greater speed, accuracy and responsiveness.

## The Blue Yonder solution:

PepsiCo Latin America partnered with Blue Yonder to integrate and roll out its solutions in demand planning, supply planning, inventory optimization, shipment scheduling and promotions across 34 countries. Horizon, the largest supply chain transformation effort in the company’s history, seeks to transform supply chain planning, as well as automate and integrate all the processes that comprise it.





### **Forecast accuracy levels above 80% drive greater precision:**

“We’re seeing forecast accuracy levels above 80% in some countries. In addition to reducing our costs, this allows us to plan our supply chain resources much more efficiently, such as warehouse capacity and plant utilization. Since the price of commodities is rising and we’re moving light products, we also need to maximize the capacity of all transport containers and trailers. Our Blue Yonder solutions allow us to match forecast accuracy with operations precision.”

### **An agile supply chain delivers higher service with less inventory:**

“Blue Yonder is helping PepsiCo Latin America create a supply chain that is agile, that is fully integrated, that is resilient, that can react immediately to new information. We can contain contingencies and take advantage of opportunities by strategically positioning our inventory and refocusing our efforts. We can actually increase our service levels with one or two days less inventory.”

### **Standardized processes produce cost and service results:**

“We’re internally transforming our supply chain so every country has the same process, the same quality of data, the same look and feel, the same tools. With the help of Blue Yonder, we’re creating a truly integrated, end-to-end solution to standardize our operations, which will minimize costs, maximize speed and efficiency, and deliver the same high level of service regardless of geography.”

[blueyonder.com](http://blueyonder.com)

### **Solution benefits:**

- Blue Yonder’s demand planning capabilities consolidate and synchronize demand signals, as well as external variables, across PepsiCo Latin America’s diverse markets. The company can make more accurate, profitable decisions, from inventory staging to maximizing usage of manufacturing resources.
- Fulfillment capabilities from Blue Yonder help PepsiCo Latin America balance all the factors that determine inventory placement, including demand signals, customer service targets, safety-stock policies and shelf-life constraints — all while keeping inventory costs low.

### **Blue Yonder’s expertise:**

“Blue Yonder is helping us achieve our mission: to be an integrated supply chain, to generate value not only for our customers and consumers, but also to have that same value throughout the supply chain and in our supplier relationships. We are working together with the Blue Yonder team to deliver the best return on investment on this project, from solution design to international deployment.” — **Jaime Ponce, Director, Integrated Supply Chain**

