

Case Story - Kavli Denmark A/S



The Kavli group has operated in international markets for over 100 years. Today Kavli owns production facilities in Norway, Sweden, Denmark, England, and Scotland, and the products are sold in more than 20 countries. The Kavli Group has an annual turnover of approximately 1.6 billion DKK and has more than 600 employees. Kavli Denmark develops, manufactures, and markets numerous well-known beverages and food products, such as Grønne Gaarden organic fruit juices and FUN soft drinks. Furthermore, Kavli Denmark sells and markets a number of leading food brands.



Case is based on an interview with Jette Andersen - Sales and Marketing Director - Kavli Denmark A/S

“We run a high promotional pressure in all chains. Therefore, it is important that we have an overview of sales and promotional costs”.

Challenges

Historically speaking, it has been difficult for us to predict sales to chains and customers and, at the same time, to predict the costs related to promotional activities.

In addition, it has been a challenge to create the link between sales planning and production planning. We run many promotions in all chains. Therefore, it is important that we have an overview of sales and promotional costs.

Solution and Implementation

For several years we have been working closely with EffectMakers - and have always had a really good dialog. Therefore, we have had some unique opportunities to influence the development of BMS, and we have been able to provide inputs for the design of future versions.

It was decided from the very beginning that BMS should be used throughout the organization, from forecasting to promotion and baseline planning, settlement of promotion allowances, and handling of promotional letters.

The implementation has gone as expected. The challenges we have had in connection with the implementation have primarily been related to our own server capacity.

“With BMS we achieved 10 percentage points improvement on forecast accuracy within the first six months. Our service levels have been significantly improved”.

Experiences and Effects

Last year, we increased our focus on improving forecast accuracy. The goal was to achieve a 5 percentage points improvement of forecast deviations within 12 months. With BMS as our tool, we already achieved a 10 percentage points improvement during the first six months. The improved forecasts provide a lower inventory level and thus a better working capital.

We've got fewer adjustments in production, our delivery service levels have improved significantly, and goods have been fresher at time of the delivery. In addition, we avoid promotion overlaps to a greater extent, and each month we can make a customer-specific, year-to-go estimate and thus propose changes of the planned activities.

Furthermore, we can now predict our financial results with greater accuracy than before, giving the company a greater credibility within the group.

The main reason that I recommend BMS is exactly this: the system improves our ability to predict sales and margins with the greatest possible precision.

Facts:

- Turnover: +200 million DKK
- Number of users: +10
- BMS is integrated with master data from Movex