

# PCA Client Project Brief

## PepsiCo, Inc.



PepsiCo, Inc. founded in 1898 and headquartered in Purchase, New York manufactures, markets, and sells a wide variety of convenient foods and beverages world-wide.

## Supply Chain Planning and Demand Forecasting

### Business Needs and Challenges

PepsiCo approached PCA seeking improvements to how they managed their supply-chain planning and forecasting operations — specifically, the ability to optimize manufacturing, distribution and warehousing of hundreds of different beverage products and snack foods against seasonal sales projections across European, Middle East and Asian continents. Under-production translated into lost revenue; over-production resulted in unnecessary manufacturing costs and waste of product with a short shelf-life.

Management needed better connectivity, planning tools and visibility into balancing production expenses against regional and seasonal sales demand. While high-growth areas like China brought new opportunities, cultural and language barriers presented additional unique challenges to the beverage and Frito Lay products supply chain.

Joanne Metzke, PepsiCo's senior Supply Chain Manager for EMEA was tasked with making such improvements to their supply and demand process, which included implementation of the company's proprietary best practices.

These processes have been a mainstay in PepsiCo culture – providing the company with competitive advantage and vital insight into product sales, production, distribution, and scheduling. "At the time, most of our facilities weren't quite ready for SAP, but did require more sophistication than Excel spreadsheets could provide," stated Joanne Metzke. "Ultimately, we needed to connect key people and processes, all under PepsiCo's best practices – which many commercially available software tools struggled to support."

In the end, PepsiCo's unique requirements demanded a custom solution that could make immediate improvements in their overall demand & supply planning process, and offer the flexibility to support expansion into new markets and cultures.



Key requirements for the new SCP system included:

- Centralized administration and management over EMEA's entire demand, product, and deployment planning process
- Alignment with PepsiCo best practices and Key Performance Indicators across new and existing languages and geographies
- Easy access, and a secure "one-stop shop" for distributed planning managers to report and track sales, production, and distribution numbers
- Dynamic reporting for daily management of product supply, consumption, distribution and forecasting activities
- Extremely easy to use, to accommodate a variety of user skill levels and languages

### The Planning Phase

The large commercial software vendor packages were either over built (too sophisticated) or too expensive, too costly to configure, deploy and support, and from past experience, too difficult to adapt to PepsiCo's best practices.

PCA was engaged by PepsiCo to gather business requirements necessary to design and build a custom database solution that was easy-to-use, adaptable to PepsiCo's strict Key Performance Indicator business standards, and scalable to support additional PepsiCo global regions.

PCA's experience developing simple solutions to sophisticated business needs, combined with their highly efficient Rapid Prototyping and Design-Build methodology were key factors in their decision.

### The PCA Solution

From a business perspective, PepsiCo's new Supply Chain Planning System succeeded in providing secure web-based connectivity for PepsiCo's growing number of globally-distributed planning managers, product producers, distributors, and administrators across EMEA.

Not only did the new system cost significantly less than comparable packaged solutions like SAP, but it supported PepsiCo's unique best practices and performance metrics from day one.

The custom PCA database solution provided PepsiCo administrators and managers with the critical planning intelligence they required, and the flexibility needed to extend the solution across new and culturally-diverse global markets.

Built on the Microsoft Smart Client Platform (SQL Server + .NET + SQL Server Reporting Services + SQL Server Analysis Services), the new Supply Chain Planning & Demand Forecasting solution also fully leveraged PepsiCo's substantial investment in the Microsoft platform.

Key capabilities of the new Supply Chain Planning & Demand Forecasting solution include:

- Single, unified database that applied consistent performance metrics across demand planning, production planning, and deployment planning
- Secure, role-based application privilege access — a key concern of franchisees regarding weekly regional sales reporting
- Easy-to-use, intuitive interface with familiar Microsoft office application look-and-feel
- Easily translated to localized languages to meet growing multilingual user base
- Automated 24X7 Internet installation, access and updates

### Key Business Benefits

The new system resulted in wholesale improvements to how PepsiCo managed product and supply chain status, and has dramatically reduced the time it takes to publish accurate and consistent demand and sales forecasting reports.

Ease-of-use and anytime, anywhere availability has satisfied users, and provided management with fast, reliable data for visibility into all three critical areas of the PepsiCo business: demand planning, production planning, and deployment planning.

Key benefits of the new Supply Chain Planning & Demand Forecasting solution include:

- Adherence to PepsiCo KPIs and best practices
- Alignment of distributed people and processes
- Dynamic, push button planning and reporting
- Consistent performance measurements
- Low-cost, low maintenance state-of-the-art technology

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"The custom PCA solution provided transparency to the entire supply chain planning process across EMEA. Now everyone can report their numbers and forecasts in one central location, and operate under PepsiCo's best practices and consistent performance metrics. Life has been made much easier."

**Joanne Metzke,**  
**Senior Supply Chain Manager**