



CUSTOMER CASE STUDY
LABEYRIE

“ One of the major advantages is that we are able to see further ahead within our S&OP approach, thanks to the close link between generating accurate forecasts and using reliable production plans, as well as having a view of overall activity management.”

**Magali Fidan, IT Project Manager
Labeyrie**





LABEYRIE

LABEYRIE FINE FOODS IMPROVE FORECAST ACCURACY AND OPTIMIZES ITS SUPPLY CHAIN WITH QAD DYNASYS

HIGHLIGHTS	
Company	LABEYRIE
Headquarters	Saint Geours de Marenne, France
Industry	Food & Beverage
Products	Frozen & Chilled Gourmet Foods
QAD DynaSys Solution	Demand Planning, Production Planning and Procurement Planning



THE COMPANY: THE LABEYRIE FINE FOODS GROUP

Labeyrie already dates back half a century. The company was founded in 1946 in the Halles de Bordeaux food market, trading in foie gras, Adour River salmon and game. From the outset, the company has underscored its position as a leader in fine food, whether by organic growth or acquisition.

In 2017, the Labeyrie Fine Foods Groups, encompassing Blini, Labeyrie, Delpierre and l'Atelier Blini (among others) generated €988 million in turnover with a workforce of more than 5,390 people, operating out of 17 sites across Europe.

The group is organized into Business Units and the brand names are all independent. Each of the Business Units has its own range and its own identity, encouraging both entrepreneurship and innovation. Synergies are created across the group using cutting-edge technologies to support this unique structure. A typical instance is the QAD DynaSys Demand and Supply Chain Planning (DSCP) solution that was first implemented at Labeyrie over 10 years ago.

THE CHALLENGE: MAINTAIN SERVICE LEVEL, IMPROVE FORECAST ACCURACY AND OPTIMIZE PLANNING

The Labeyrie Business Unit turns over €250.5 million per year and offers a wide selection of gourmet food to meet all customer tastes. From cocktails to dessert, including starters, main dishes and sauces as well as the hallmarks of the brand, foie gras and smoked salmon. This enormous range of more than 600 products sometimes makes it difficult to forecast the sales, procurement, inventory and production planning. "Ten years ago, we selected the QAD DynaSys Demand Planning



and Production Planning solution”, explains Magali Fidan, IT Project Manager at Labeyrie. “Our target was a service level of above 98.5%, maintaining that moving forward, and providing the most reliable forecasts possible to planning, to keep ahead of our production requirements.”

“The implementation of the solution was particularly instrumental in centralizing forecasts and bringing them to the core of our process. Everybody gets what they wanted, thanks to the various reports they requested, whether that is operations, sales management, management control or general management”, attests Stéphanie Irigoien, Labeyrie Customer Supply Chain Manager

To understand Labeyrie’s business, let us take a close look at exactly how its Supply Chain works.

The key characteristics are: variable product shelf life ranging from 16 days to 4 years; a highly varied range covering 3 of the group’s 4 business areas; high quality raw materials used in “festive” and fresh products; seasonal ranges where 52% of the brand’s turnover is generated in 2 months; raw materials procurement requirements; short product life cycles; the impact of promotions on sales; customers and large scale retailers operating on a just-in-time basis and rapidly changing export requirements.

“The forecasters update Demand Planning twice every day, depending on our order backlog. It gives them time to make reliable statistical calculations and forecast the right shipping date, within a minimum and maximum date bracket.” Once all the data has been entered into Demand Planning, a production cycle is set up using the finite capacity planning solution: Production Planning. “The six users of the QAD DynaSys planning solution then take over and generate a realistic Master Production

Schedule (MPS). Follow-up is daily, with a five week horizon and an eighteen month vision. It enables us to manage our inventories for the best, while optimizing our working capital and cash flow”, adds Stéphanie Irigoien.

THE SOLUTION: ROBUST, INTEGRATED, FLEXIBLE AND CUSTOMIZABLE

Here’s how the Labeyrie team see the benefits of the DSCP solution:

- Having all the indicators and parameters in the same tool and on the same screen is essential for efficient and rapid decision-making (a major advantage in food & beverage business for short and seasonal expiration date products).
- Having a flexible tool, making it possible to set up customized views and tailored warnings so that users can quickly diagnose issues and take appropriate action.
- Having frequent collaboration (several times per day) between forecasting and planning, generating a high level of responsiveness in an increasingly complex and unpredictable environment.

“Today, we still face the same challenges”, adds Stéphanie Irigoien. “There are also the financial challenges linked with the proper management of inventory for the perishable products and its aging, the quality of finished products, and just in time production. Other constraints are also easily controlled.”

THE BENEFITS: CONCRETE RESULTS

It is evident that increased agility, reliability, anticipation and data centralization are the primary gains that Labeyrie has achieved with QAD DynaSys Demand Planning and Production

DCSP SOLUTIONS BENEFITS FOR LABEYRIE

REDUCTION INVENTORY LEVEL
50%

+ 85%
FORECAST ACCURACY

+ 2.2 POINTS
IMPROVEMENT IN CUSTOMER SERVICE LEVEL

62% **REDUCTION INVENTORY WASTE**

Planning. “Their robustness, flexibility and broad functional spectrum have all enabled us to model our business processes so that our Supply Chain fits our needs, and not the other way around. Getting to grips with the QAD DynaSys tool was a simple and rapid process, thanks to the ergonomics, and the integration into our existing IT solutions, especially JD Edwards, our ERP, was particularly easy”, concludes Magali Fidan. “The Production Planning solution was more recently implemented in 2013, and has already optimized our production flows and improved our productivity. Irregularities or inventory shortages are a thing of the past. Together, these advantages have enabled us to achieve a 99% customer service level, and to maintain this best

in class performance. Our management has an overall vision of our activity because the information feeds our ERP, allowing collaborative work between departments.”

Other confirmed benefits:

- Improvement of customer service level by 2.2 points.
- Constant achievement of 85% sales forecast accuracy despite the constraints in terms of promotions and seasonality.
- Optimization and enhanced reliability of the medium and long term production plans, preventing irregularities and shortages.



- Productivity gain delivered by improvement in production processes.
- Better control of working capital resulting in a 50% drop in the inventory level at year end and reduction of stock waste by 62%.
- Provided a decision support tool for management to help define the budget, growth strategy and investments.
- Enabled an S&OP approach thanks to the end-to-end planning structure offered by the QAD DynaSys solution.

THE FUTURE: SUPPORT THE GROUP GROWTH

Within the group, the right solutions lead the way with Blini and Delpierre having also opted for QAD DynaSys. “Having an expert and integrated solution for our entire Supply Chain considerably cuts down on manual actions and the risks of making mistakes. The overriding change is in the awareness of our management staff about how important high-quality forecasts are in establishing accurate budgets. It means that our strategic decisions can be based on a long-term vision and real time data, whether it concerns actions to be conducted, investments or resources to be planned”, continues Charles-Hervé Faulque, Supply Chain Manager at Blini. The goal is that all the companies within the group will build their Supply Chain based on these solutions.

The closing words are by Magalie Fidan, who wanted to thank the QAD DynaSys support team:

“They are always available, responsive and professional, ready to address all our questions and queries quickly. It’s a considerable advantage to us.”

Our partnership is part of the committed approach of the group and its brand names, accompanying it in its goal of worldwide growth.

“One of the major advantages is that we are able to see further ahead within our S&OP approach, thanks to the close link between generating accurate forecasts and using reliable production plans, as well as having a view of overall activity management.”

Charles-Hervé Faulque
Supply Chain Manager, Blini

