

MCP CASE STUDY - Food



Brasfrigo S/A: Preactor provides short and long term planning solution for food processing company

Located in Luziânia/GO, Brazil, BRASFRIGO S/A, is one of the largest Brazilian food companies, offering a wide range of quality products and traditionally recognized by the market. In operation since 1990, BRASFRIGO markets their products nationally and internationally. They have four brands: Jurema, Jussara, Tomatino and Terrabella, covering approximately 70 products including canned vegetables, tomato products,



saucers, soups and dressing (mayonnaise, ketchup and mustard). In addition they manufacture a number of brands for large retail chains. The company has a manufacturing plant that occupies 40,000 m² with approximately 12,000 hectares of farmland around the plant

where they employ 200 direct and 100 indirect employees. These numbers make BRASFRIGO the largest corn producer and the third largest tomato producer in Brazil.

THE CHALLENGE

Brasfrigo was looking for a production scheduling tool that was able to meet short term planning needs, but mainly to minimize shortages to better serve its customers and provide a more robust process for managing the production of tomatoes and vegetables. These two product lines account for 94% of the overall volume produced by the company.

The production of tomato products and vegetables requires three main process; preparation (cleaning), mixing (making the final product) and packing (packaging). Because the company operates in a mixed mode system (Make To Stock and Make To Order) there is a need for a good planning tool that can react quickly and reliably to each of the 600 production orders it receives every month.

The tomato and vegetables production scheduling was one of the biggest challenges highlighted by the planning department and because it is almost impossible to predict the

Company and product

Brasfrigo S/A manufactures around 70 products including canned vegetables, tomato products, sauces, soups and dressing.

Key challenges

- Be able to meet short term planning needs.
- Minimize shortages to better serve customers and provide a more robust process.
- Difficulties to predict arrival of raw materials and react quickly to change.

Key Benefits

- Greater interaction between the planning and the commercial areas.
- Higher productivity, higher profitability and improved customer service levels.
- Evaluate the raw material requirements based on the medium and long term generated by Preactor and use the information to take better decisions.

System architecture

SAP

arrival of raw materials (vegetables and fresh tomatoes), the schedule must be able to react quickly to change. There are many factors that contribute to this situation such as delays in raw material supply, inaccurate sales forecasting, equipment breakdowns and failures in the production process.

Preactor was selected as the production scheduling tool because of its rich array of features and its powerful out of the box functionality. Flexibility was, of course, a major factor because Preactor was designed so that it could be configured to meet the company's strategic objectives.

In order to deliver the promised results as quickly as possible, TECMARAN, a Preactor Gold Solution Provider, assigned two consultants to the project. Because the Brasfrigo planning team was focused on success, they were willing to cooperate and adapt to the new concepts of work inherent in the use of an APS tool. The integration with the ERP system was done by Politec (an SAP service provider).



The implemented solution was comprised of two distinct models which could be viewed simultaneously:-

1. A short-term model with a planning horizon of 30 days, and
2. A medium term model with a planning horizon of 90 days to do analysis and simulations.

The short-term model is used to create task lists for each Resource which are sent to the shop floor and then list tasks that need to be completed in the next 2 days. The long-term model is used to predict demand for raw material for the coming months, so that purchase orders can be created. Preactor generates production orders based on information it receives from SAP about sales orders, resources, products and other items necessary for scheduling. The schedule determines the delivery date, the start date and end date of each order based on a specific

sequence. Monthly demand information allows the planner to determine the amount that needs to be produced each week of the month to meet the delivery dates promised.

Due to the high perishability (shelf life) of the raw materials used by the company, it was necessary to force the schedule to start and finish orders on the same day.

The implementation was completed in five months and staff from production, maintenance, logistics and sales were all extensively involved in the process which contributed to the widespread acceptance of the new tool and ensured a greater collaboration between employees.

BENEFITS

After the implementation of Preactor, Brasfrigo now has a greater interaction between the planning and the commercial areas, a fact which increased sales forecast reliability from 77% to 87%. In addition, Brasfrigo were able to use a custom sequencing rule to reduce stock levels by about 7%, which provides them with higher productivity, higher profitability and improved customer service levels.

A very positive impact of using Preactor has also been observed.

Key Benefit

Greater interaction between the planning and the commercial areas increased sales forecast reliability from 77% to 87%

Key Benefit

Usage of a custom sequencing rule to reduce stock levels by about 7%, which provides them with higher productivity, higher profitability and improved customer service levels

“ It was possible to reduce the time it took to create a schedule from 7 days to just one day.”

José Luiz Rodrigues da Luz, Planning Manager

This was possible because the production orders began to be issued automatically by the Order generator, an application developed specifically by the TECMARAN for the Brasfrigo that replaced their MRP. In addition, the solution has allowed the planners to evaluate the raw material requirements based on the medium and long term generated by Preactor and use the information to take better decisions. These are some of the results that prove the success of the project.

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