

USE CASE

Jacobs Douwe Egberts

Assumption based planning
for faster planning cycles and
reduced forecast error

JDE

JDE is the world's leading pure-play coffee and tea company, headquartered in The Netherlands. JDE unleashes the possibilities of coffee and tea in more than 100 countries, through a portfolio of over 50 brands including L'OR, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2021, JDE Peet's generated total sales of EUR 7 billion and employed a global workforce of more than 19,000 employees.

Problem

- The company lags competitors in the market in forecast accuracy.
- JDE plans by country using APO. This permits little insights in the impact of promotions or the drivers of the demand by market.
- They have lengthy S&OP processes that do not contribute to accuracy.
- A study showed that their demand planners spent too much time on putting out fires instead of forecasting and IBP
- They have a complex distribution and are heavy promo driven.
- Covid impacted the business substantially



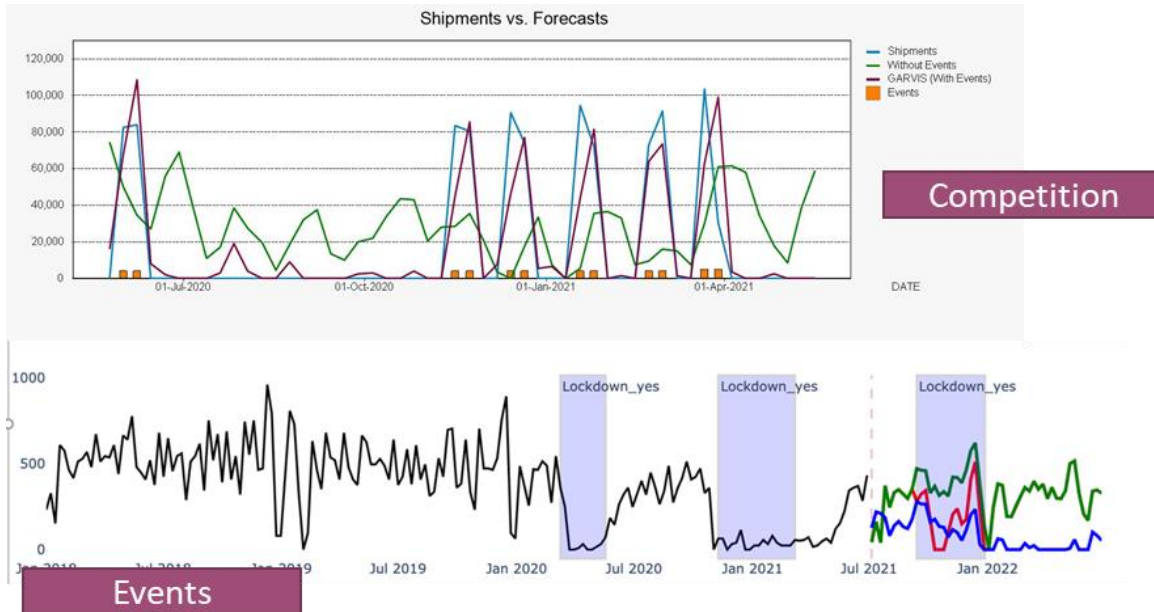
Planning Book: [Live] PLANNING BOOK FOR

Selected Objects: Demand Channel: NATRFL Partner (Sold-to): Details (all)

Item	Partner (Sold-to)	Unit	W 44.2015	W 45.2015	W 46.2015	W 47.2015	W 48.2015	W 49.2015	W 50.2015	W 51.2015	W 52.2015	W 53.2015
610214407031	Total	EA	1,540	2,315	2,175	1,961	1,241	2,315	1,445	1,239	1,727	2,315
610214437620	Corrected history	EA	660	992	931	772	532	991	619	531	740	992
PR002	Total	EA	880	1,323	1,242	1,830	709	1,322	826	708	987	1,323
	Event	EA										
	Promotion	EA										
	DR Stat Forecast	EA										

Garvis Advanced AI and Demand Sensing

Garvis did a pilot in 3 markets to prove the capabilities of assumption based planning, that starts the planning process from assumptions based on the key drivers and possible exceptions. Now there is a roll out to 7 countries for this planning method. Results drastically reduce the planning cycle and improve accuracy (-30% error). Promotions can be planned and timed more effectively. Short term forecast error is reduced using external (Demand Sensing)



Unique Elements

- Assumption based planning
- -30% to 40% error over the short horizon
- IBP process re-engineering
- Zero implementation