



# Crunching Big Data into actionable insights

Eyeon Planning Inspiration Day 2017





# The HEINEKEN Company



# INDEPENDENT & RESPONSIBLE GLOBAL BREWER

THE WORLD'S MOST INTERNATIONAL BREWER

- # 1 IN EUROPE
- # 2 IN THE WORLD
- BRANDS PRESENT IN >170 COUNTRIES
- COMPANY PRESENT IN >70 COUNTRIES

SURPRISING AND EXCITING CONSUMERS  
EVERYWHERE

BREWING GREAT BEERS AND CIDERS,  
BUILDING GREAT BRANDS

LONG AND PROUD HISTORY AND  
HERITAGE



# Truly global presence

>165 BREWERIES, MALTERIES, CIDER  
PLANTS AND OTHER PRODUCTION  
FACILITIES  
IN OVER 70 COUNTRIES



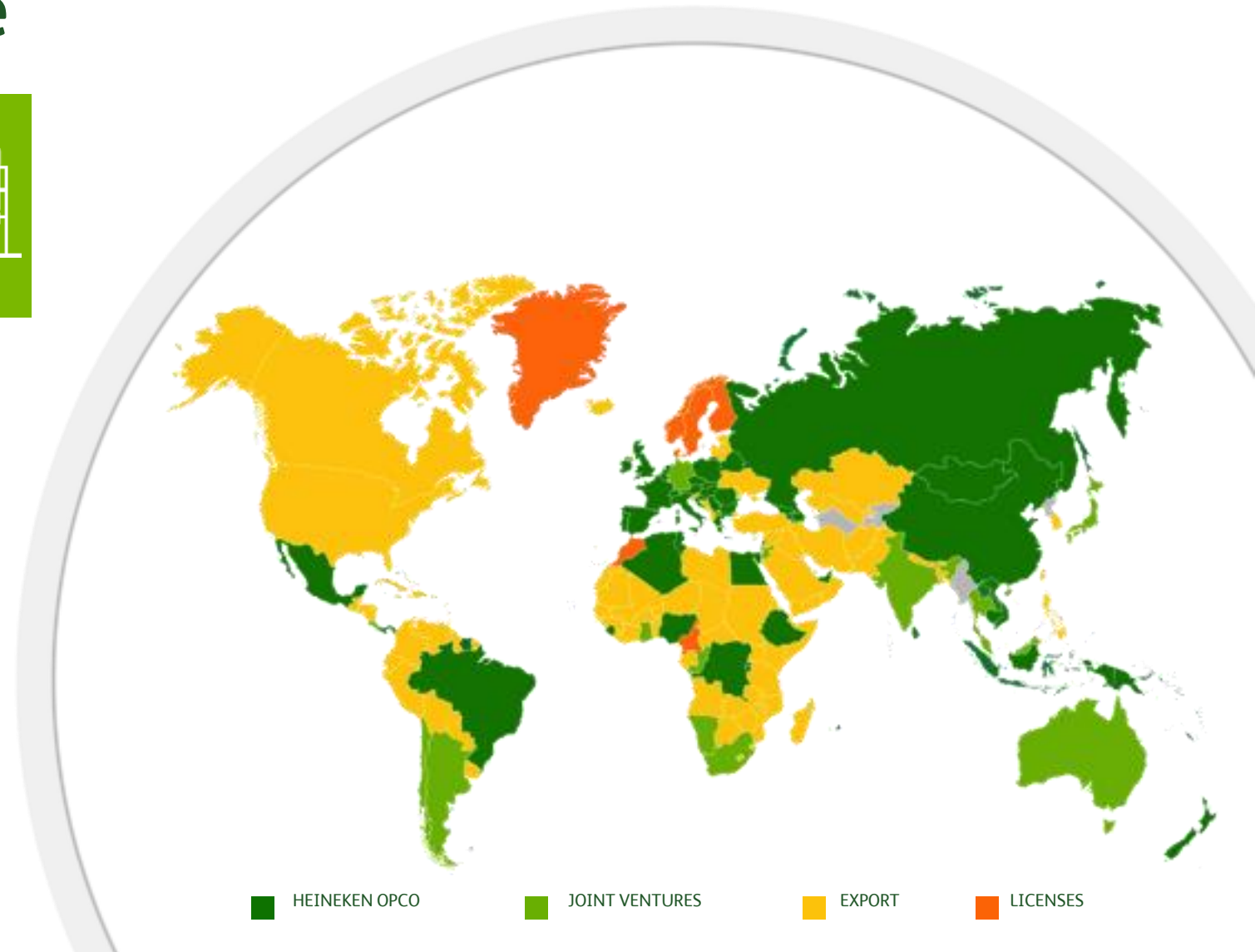
73,500+  
EMPLOYEES



OVER 250 BEER AND  
CIDER BRANDS



CONSOLIDATED BEER  
VOLUME IN 2016: 200.1 MHL





# Pressure is increasing on our Planning performance...

## External drivers



Consumer Demands



Economic Volatility



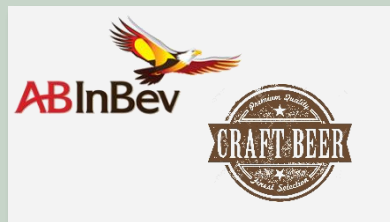
Big Data



Globalisation



Omni Channel



Growing Competition

Improving  
our Planning  
Capability

## Internal drivers



E2E Optimization



Breaking the Silos



Cutting Costs



Fragmented Planning  
Landscape



Capability building



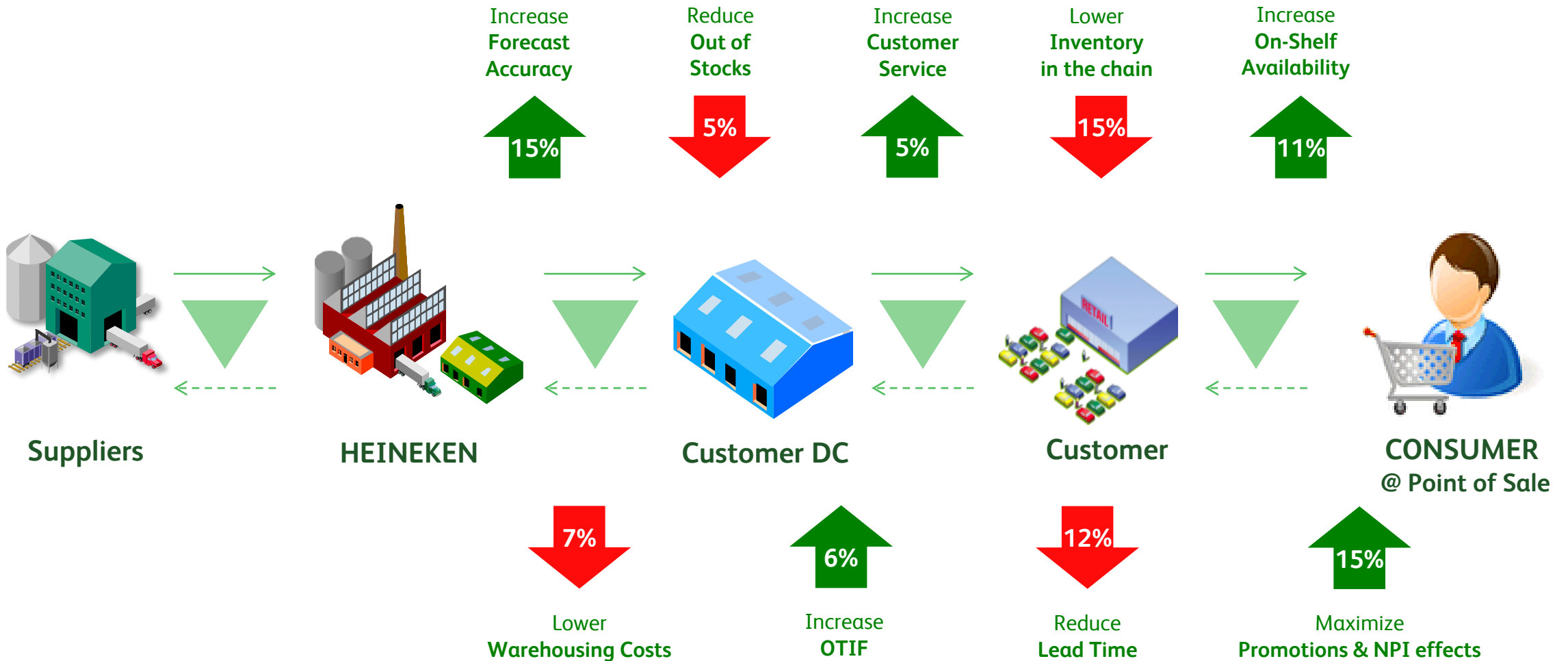
HEINEKEN 2020

A hand holding a green Heineken beer can. The word "deal?" is overlaid in large green letters.





# Potential impact of Sell-out Data on the Supply Chain

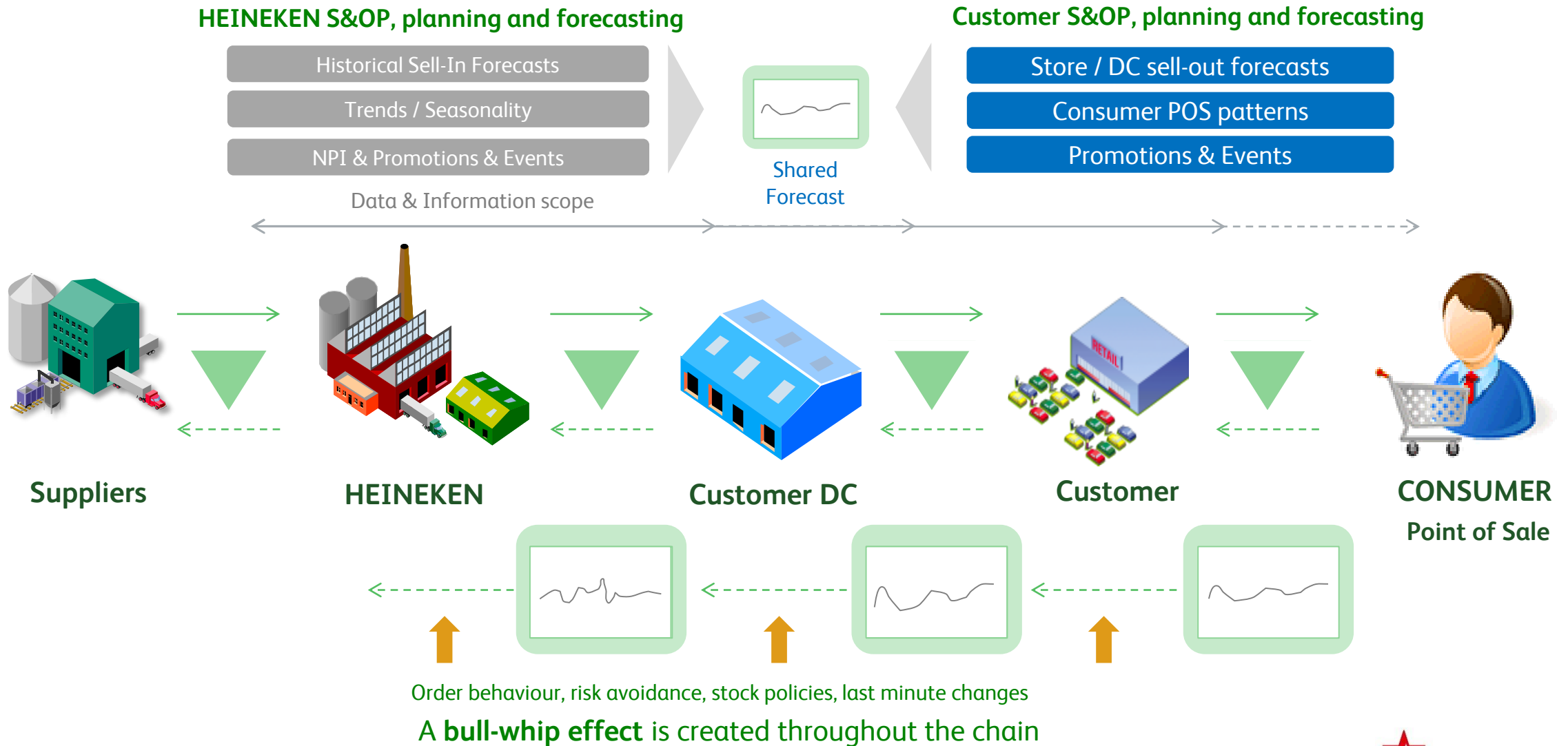




# Collaborative Planning, Forecasting and Replenishment



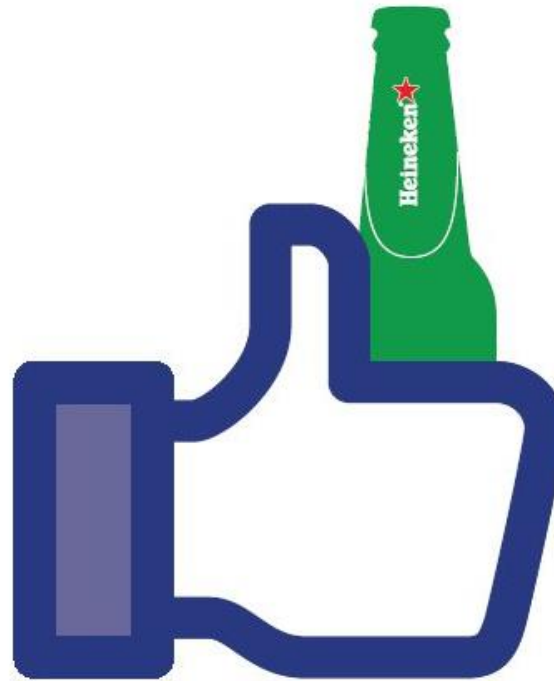
# CPFR: Getting Grip on Demand using downstream data



# Is it Relevant?

CPFR eliminates inefficiencies in the complete chain and is relevant when:

- Short product life cycles
- High inventory in the supply chain
- High innovation rate
- Product expiry/freshness is an issue
- Long production and/or replenishment lead-times

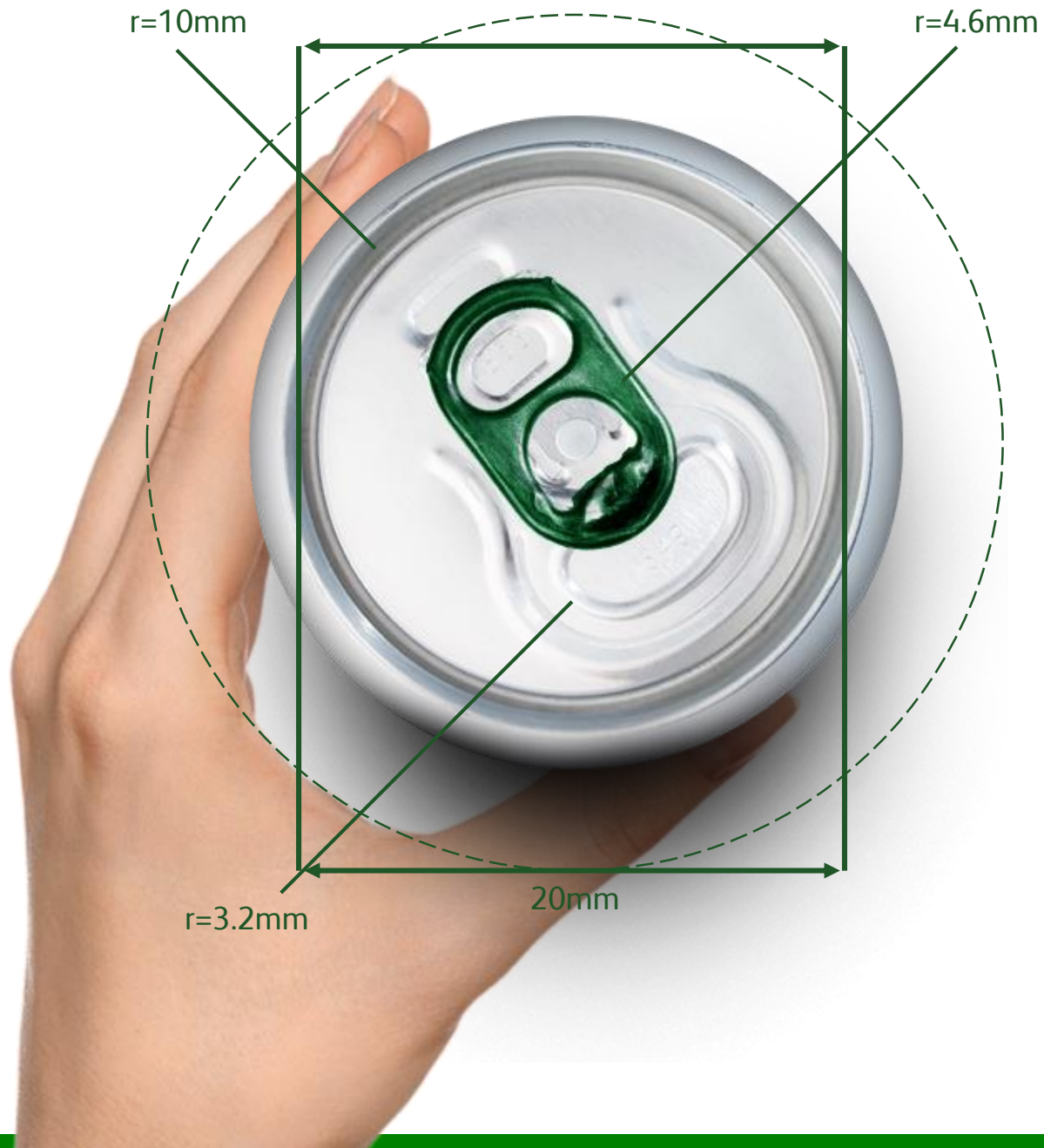


~75% valid for  
HEINEKEN



- Seasonal demand variances are significant
- Demand is difficult to predict
- Consumer expectations are not always met
- Promotion pressure is high
- Low forecast accuracy





# HEINEKEN CPFR Framework



# From Customer Collaboration to

CPFR

6 Joint **NPI Planning**



7 Aligned **Performance Management**



5 Joint **Promotion Planning**



4 Shared **Forecast**



3 Shared **(Pre-) orders & Inventory**



2 Category **Development**

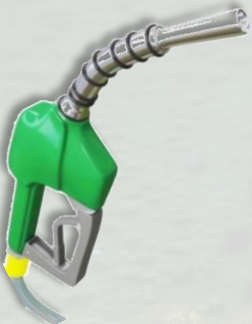


1 Joint **Business Planning**



## Key enablers

- Customer segmentation
- Trusted partnership
- Internal organisation
- Aligned KPI measurement
- Information exchange
- Data alignment





# CPFR for HEINEKEN

C

Joint ways of working; trusted partnerships on all levels

P

3-13  
weeks

## Promotion & NPI planning

Focus: mid-term Sales Forecast  
> Monthly & Weekly S&OP

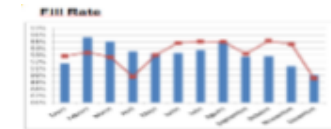


F

1-18  
months

## Forecast Management

Focus: long-term Volume Forecast  
> Monthly S&OP



R

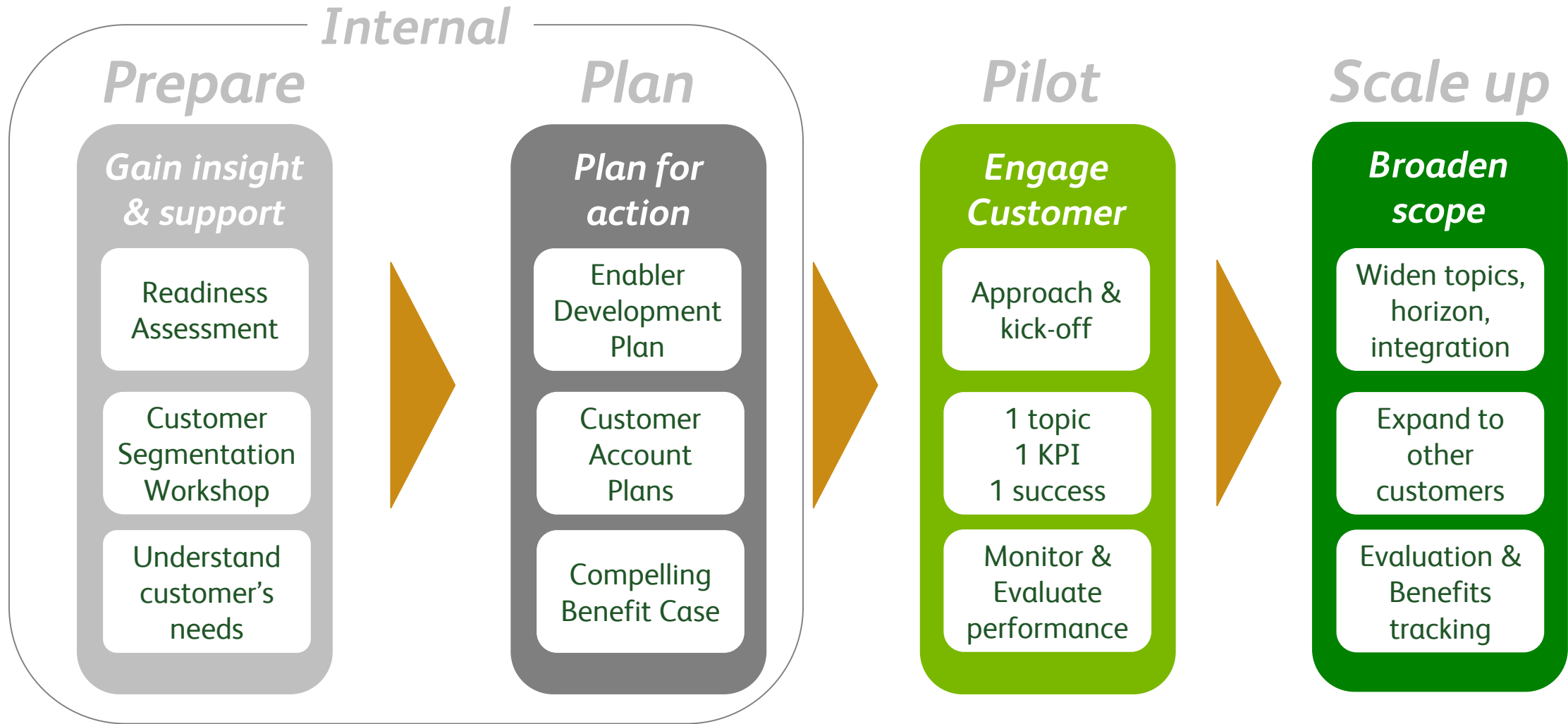
0-2  
weeks

## Replenishment Optimization

Focus: short term Order Forecast  
> Weekly S&OP



# HEINEKEN'S CPFR implementation approach

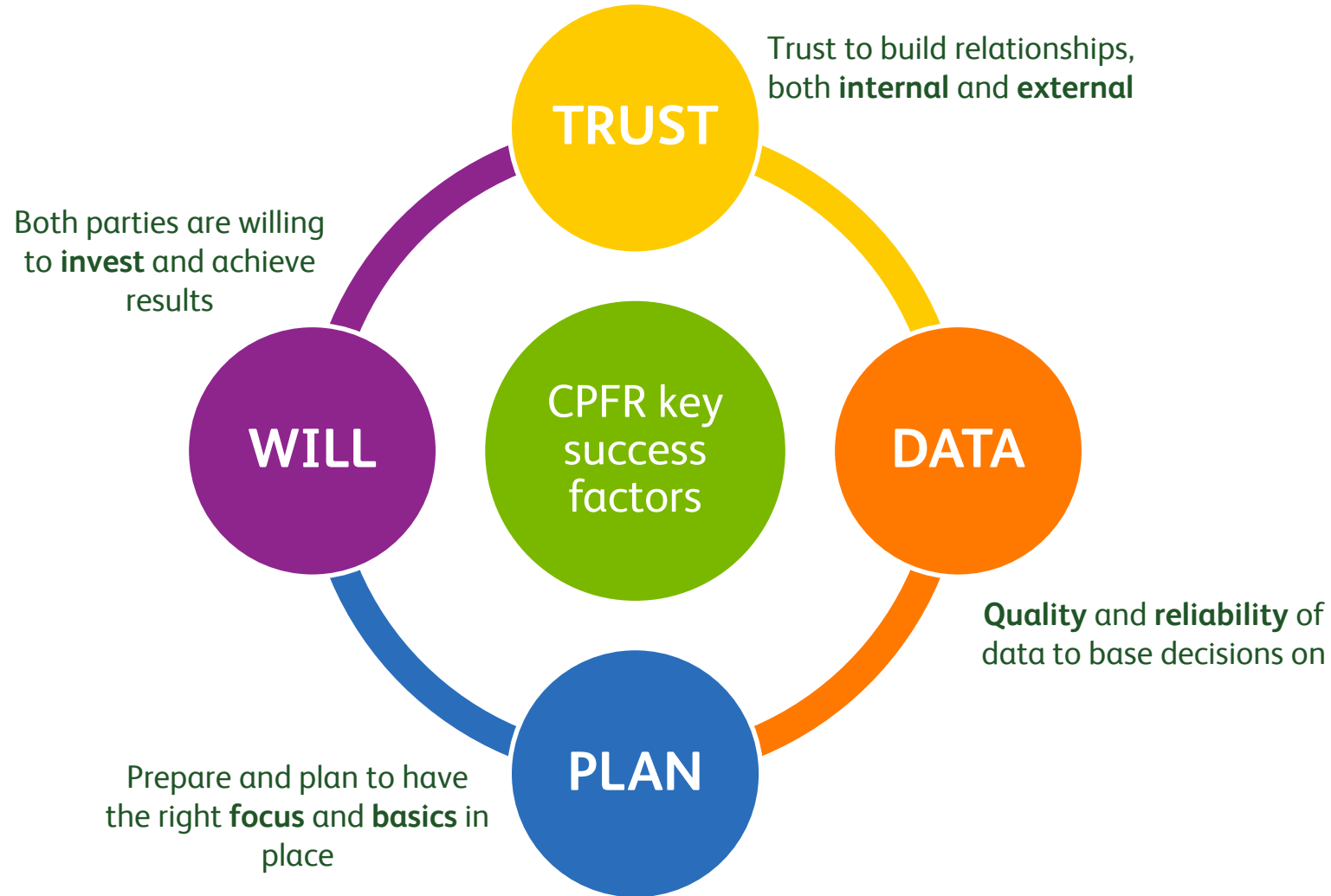




# CPFR Enablers



# Key Success Factors

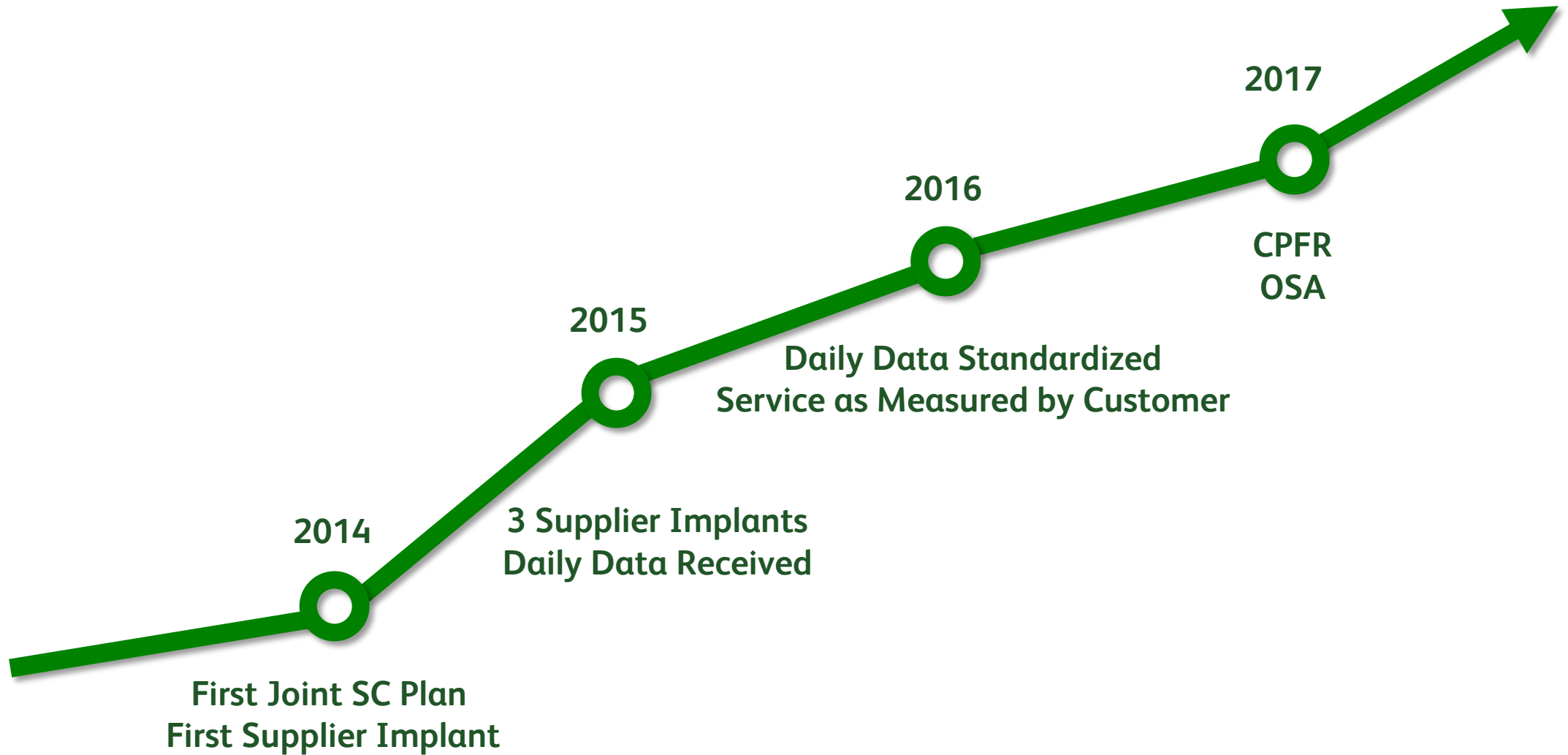




# a Case Study



# Our Journey with our Key Customer





# Our Journey with our Key Customer

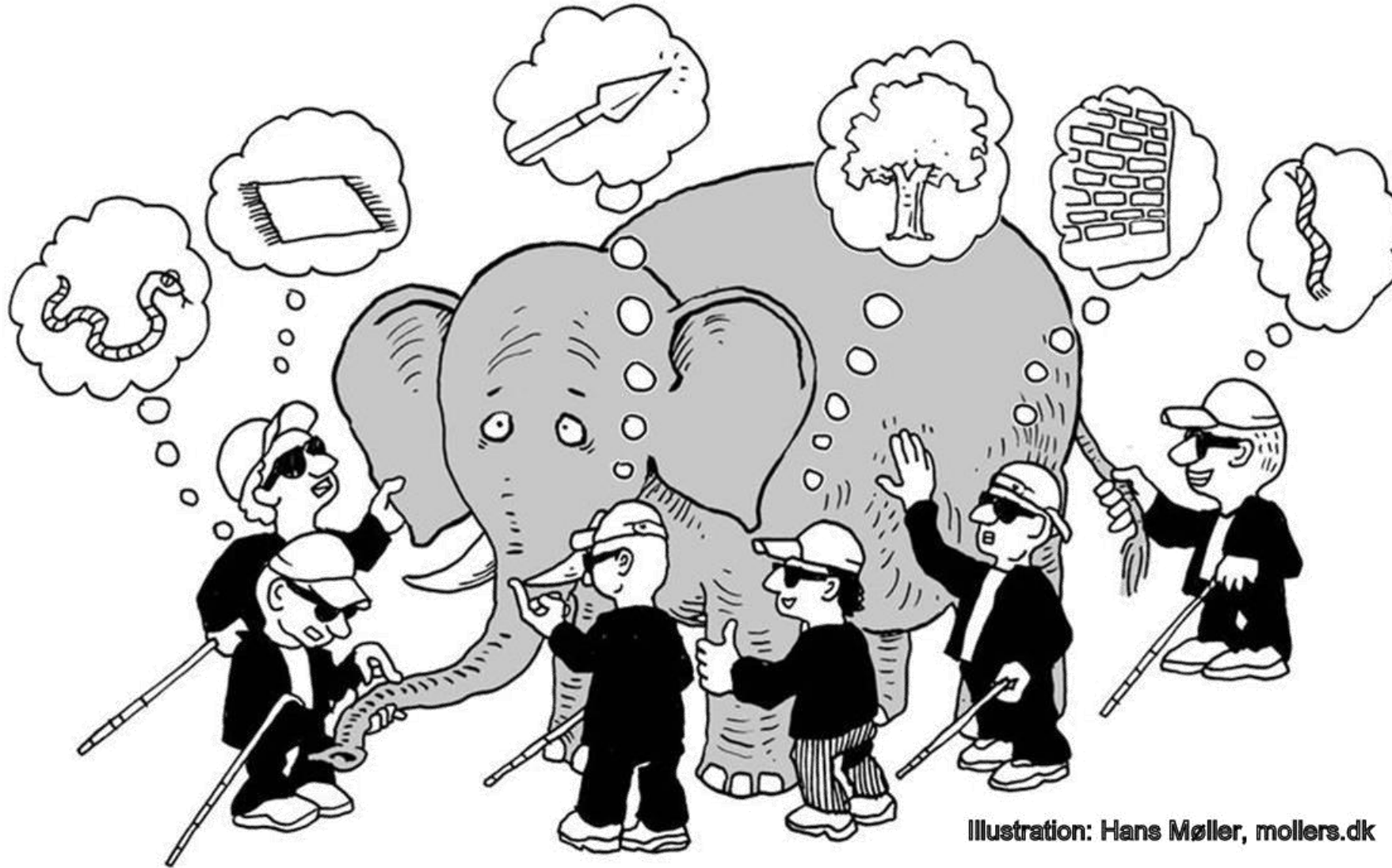
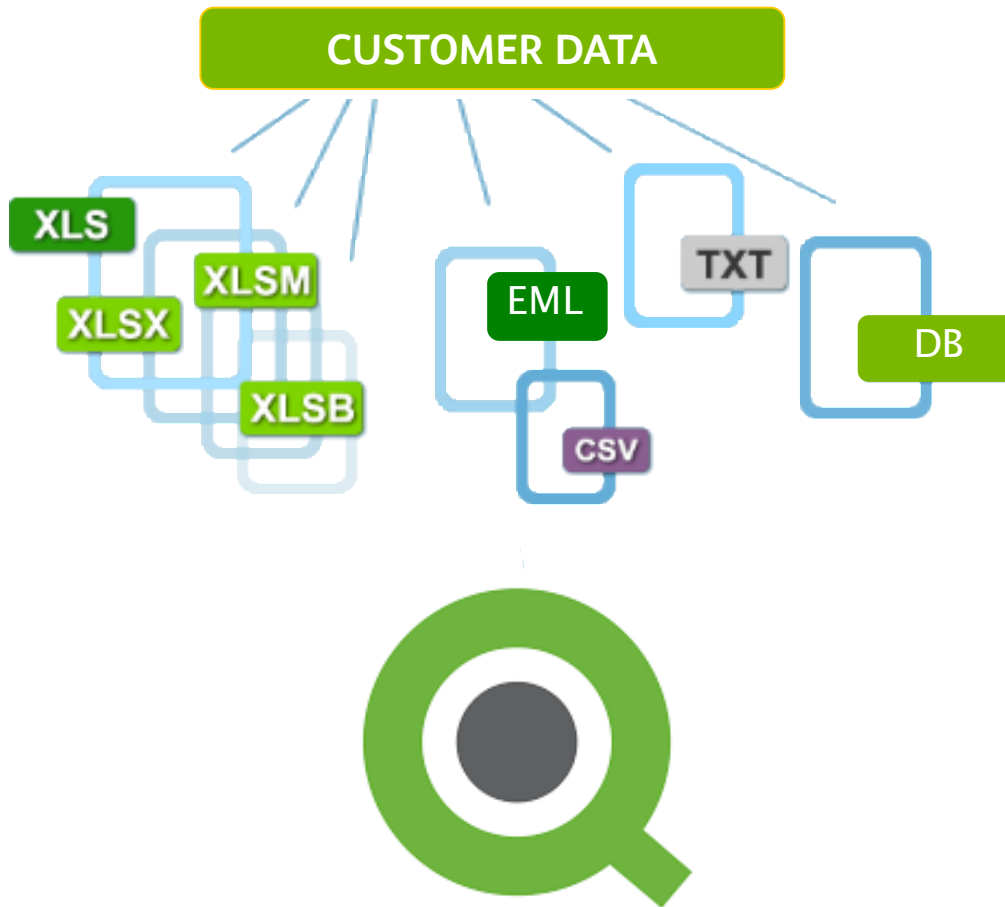


Illustration: Hans Møller, mollers.dk

# Simplify



Daily Sell-Out Data

Promotional Information

Stockholding Position @ DC

Stockholding Position @ Store

Product Master Data

Store Master Data

Buyers Forecast

Supplier Service Level

Orders from Store to DC

Orders from DC to Supplier

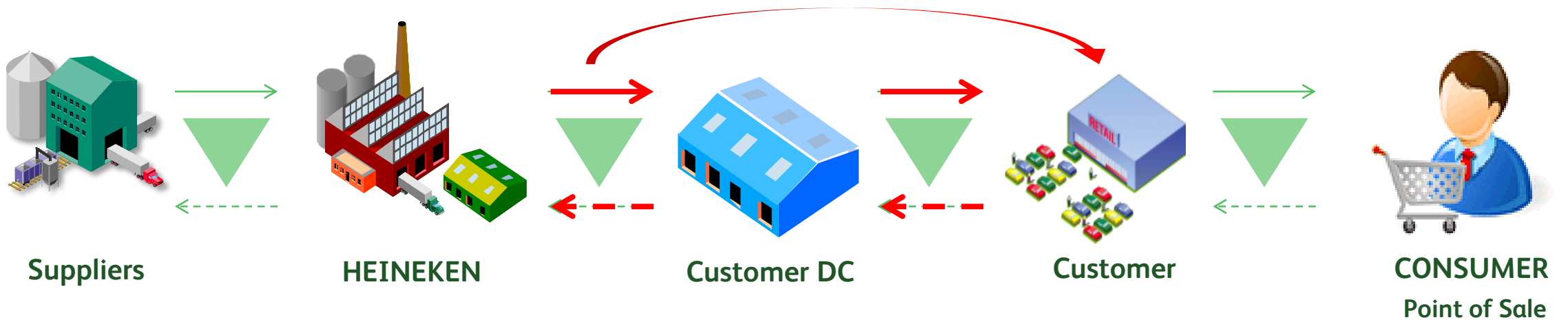
Planogram Information

... etc.

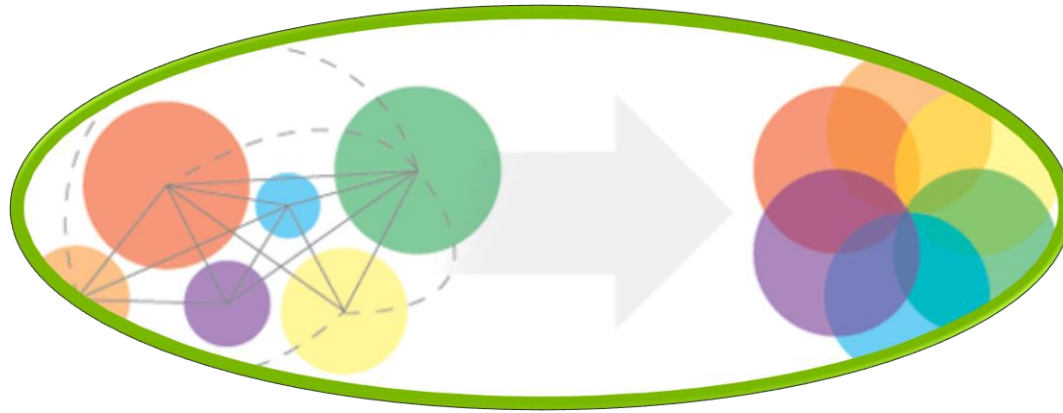




# Scope

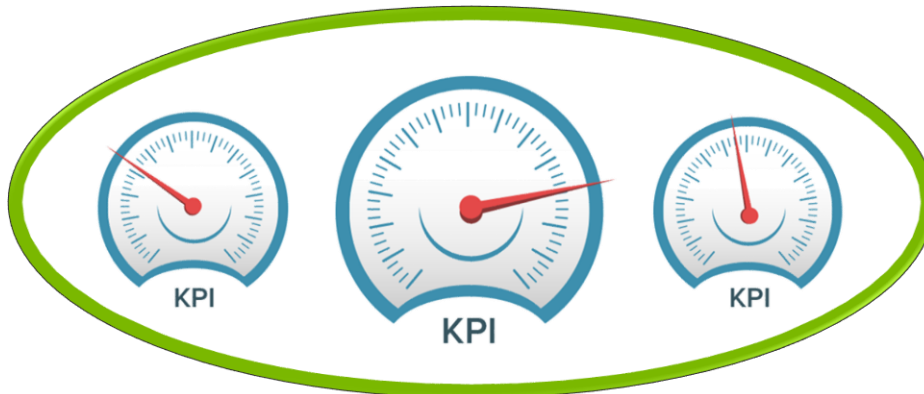


# Harmonize



Data Harmonization

Master Data Management



KPI calculation in standard Dashboard

# How data insights are used

## Pain point



Low forecast accuracy resulting in high stocks and/or out of stocks



Service Level to customer DC / store  
On Shelf Availability



Promotion effectiveness and execution



Improve NPI Planning

## Data insight

- Forecast accuracy of HEINEKEN vs. customer

- Common OSA measurement
- Undelivered orders in E2E supply chain
- Demonstrate lost sales at store level
- Customer reason codes
- Customer promotion forecast

- Promotion forecast accuracy of customer
- Timing of stock building
- Forward buying
- Promotion effectiveness
- Cannibalisation

- Customer forecast on new products

## Action

- Enhance HEINEKEN forecast with customer forecast insights

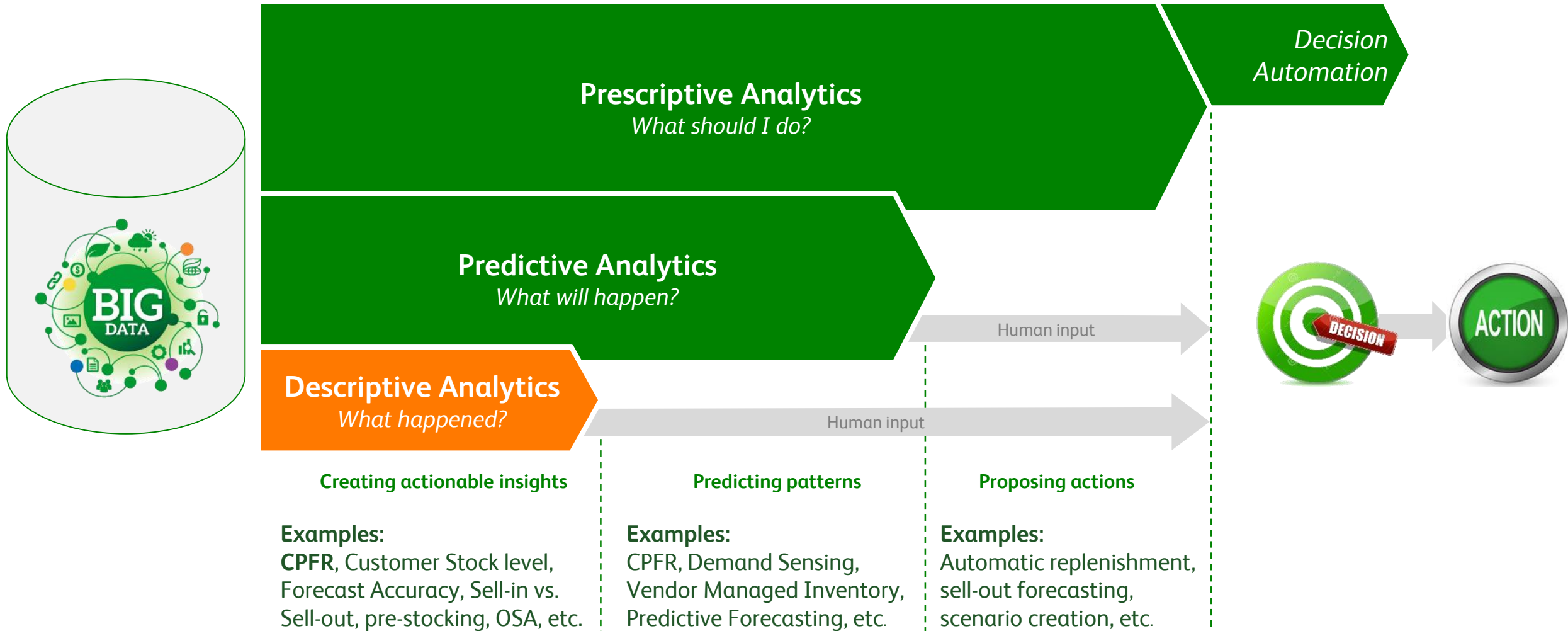
- Align reason codes
- Analyse differences and propose actions
- Discuss actions with customer

- Enrich forecast with customer insights
- Analyse (and adjust) orders
- Analyse promotion ROI and adjust strategy

- Alignment on first orders/sell-out sales and timing of marketing support



# The future of CPFR and Big Data





# Learnings...

BIG DATA IS A BIG DEAL!

START SIMPLE AND EXPAND – 1 TOPIC, 1 KPI, 1 SUCCESS

BE READY INTERNALLY BEFORE COLLABORATING EXTERNALLY – ENABLERS AND BUSINESS CASE

START FROM REQUIREMENTS AND CURRENT SUPPLY CHAIN PAIN POINTS – THEN TOOLING

DATA, DATA, DATA – AND DATA

WILLINGNESS, TRUST AND SUPPORT – ON ALL LEVELS, INTERNALLY AND EXTERNALLY



# Contact Information

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