## CASE STUDY FOOD&BEVERAGE
# LATTERIA MONTELLO

**Latteria Montello** is a food company based in Giavera del Montello, Treviso (Italy), where its production plant and distribution center are located. Latteria Montello is a state-of-the-art company, leader in the premium segment of the stracchino market in Italy, which is a type of fresh cheese made with whole cow's milk. In its technologically advanced plants with high production capacity, Latteria Montello employs highly qualified personnel and certified quality processes. Over the years, the company has engaged an active distribution network that has brought Nonno Nanni brand products to a widespread and timely presence in the territory.

It operates as a company for the production of stracchino, fresh cheese and derived food products, using milk as the main material for the production of various product categories.

In such a context, careful determination of demand volumes to plan purchases of raw materials, mainly milk and packaging, and timely control of production on the lines is of focal importance.

Latteria Montello ranges between the Ho.Re.Ca. channel (HOtellerie, REstaurant, CAtering) and large-scale retail, from which it obtains most of its operating results.

### ANALYSIS
As part of a strong internal renewal drive dictated by the gradual growth Latteria Montello has had over the past few years, the current project is part of which has led the company to focus on the aspects of:

» Processing of forecast applications (budget and forecast)
» Processing of work order and purchase order proposals and which has fostered collaboration between the Company and the sedApta group.

### Budget Processing
The budgeting process is aimed at setting sales targets (volumes/values) over medium/long horizons (typically 12 months). This process is developed from historical information, baseline data, assumptions of item or customer portfolio extension, etc., which are evaluated through KPIs.

The budgeting process is typically a collaborative process, involving various business functions that bring their input according to the information made available to them in the format that suits them.
It is a process that is typically subject to review (typically quarterly) and comparison with Supply & Operation Planning information (forecasts, production plans, inventory load profiles, etc.)
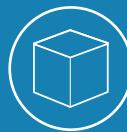
### Sales Forecasting
The process of proposing and managing sales forecasts is developed in top - down and/or bottom - up collaborative contexts, i.e., through analysis of the history based on mathematical approaches and the discussion / integration of proposed sales profiles through the approving hierarchies, leading to the release of the consensus forecast.
The process is carried out in a rolling mode (typically monthly, or weekly), supported by the analysis of deviations from benchmarks (such as budgets, previous forecast versions, etc.) through the identification and use of specific KPIs.

| **COMPANY** | **SECTOR** | **SIZE** | **TURNOVER** | **SEDAPTA MODULES** |
|---|---|---|---|---|
| LATTERIA MONTELLO | FOOD & BEVERAGE | 1 PLANT<br>1 DISTRIBUTION CENTRE | 103 MLN € (2020) | DEMAND MANAGEMENT<br>SALES ANALYSIS<br>SALES COLLABORATION |

## SOLUTION

Within the overall project scope, the solution saw the live start of the «Budgeting» Stream.

Through the adoption of **Demand Management** tools from the sedApta suite was possible to implement:

» Sales Analysis for generating a mathematical curve on a historical basis
» Sales Collaboration for visualizing, sharing and forcing the proposed data

Through a tool to support the Management Control team in order to be able to develop an estimate of volume targets for the considered budget time horizon.

The generation of mathematical projections makes it possible to intercept product/customer-specific trends and seasonality and enrich the data produced through phase in/out management.

The Sales Collaboration part enables users to act on the mathematical curves produced from historical data and promotional master data and perform data adjustments in an intuitive and smart way to reach budget volumes that take into account all the inputs considered.

The adoption of a specific Control Tower, containing ad hoc reporting and interaction with process inputs, allows users to be in control of the process and the results generated at all times.

Transversely to the process, the Orchestrated approach allows the user to act on the tools and data in the expected ways and times to effectively arrive at the end result.

## RESULTS

In the face of what has been previously described, a guided and structured process has been achieved that supports the user to achieve the goals set in Budgeting.

This this allows to:
» Increase the accuracy levels of forecast plans to make production processes more efficient
» Improve service levels without affecting costs, rather supporting inventory sizing and production planning processes
» Digitalize and standardize business processes
» Implement organized and shared tools to distribute information in orchestrated logic
» Implement simulative models for what-if analysis to cover, in the initial phase, the Budget area and, in the next progress streams, in Sales & Demand Planning and Supply Planning areas
» Increase available information to enrich the company's assets and continuously improve results
» Support the company's typical growth and continuous improvement process by streamlining KPIs, reducing manual routines, and allowing business resources to focus on high-value-added activities
» Reduce the risk of error due to the management of non-centralized tools and low value-added manual activities.