



Supply Chain Innovation

Geddy's Gourmet Ice Cream

Boilerup Consulting
Room 3098A

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Agenda for Today



Current Situation

Problems

Our Recommendations

Analysis & Alternatives

Risk Mitigation

Implementation

Discussion Time



Current Situation



Situation

Problem

Recommendation

Issues

Analysis

Implementation

- Strong **customer dedication**
- **High quality ice** cream
- Offer a lot of variety
- Desire to expand



Strong Foundation

- 100% consumption growth forecast
- 15-20% market **growth forecast**
- High margin industry
- Recent **deregulations**



Clear Opportunity

Key Challenges



Situation

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Seasonality

- Creates fluctuating demand

Cold chain capacity

- Hard to maintain enough stock in peak demand

Fluctuating material prices

- Damages margins
- Hard to predict

Our Recommendation



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1

Use Adaptive Forecasting

2

Improve Store Inventory Allocation

3

Supplier Pricing Negotiation

4

Rationalization & Aggregation

5

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Analysis



Situation

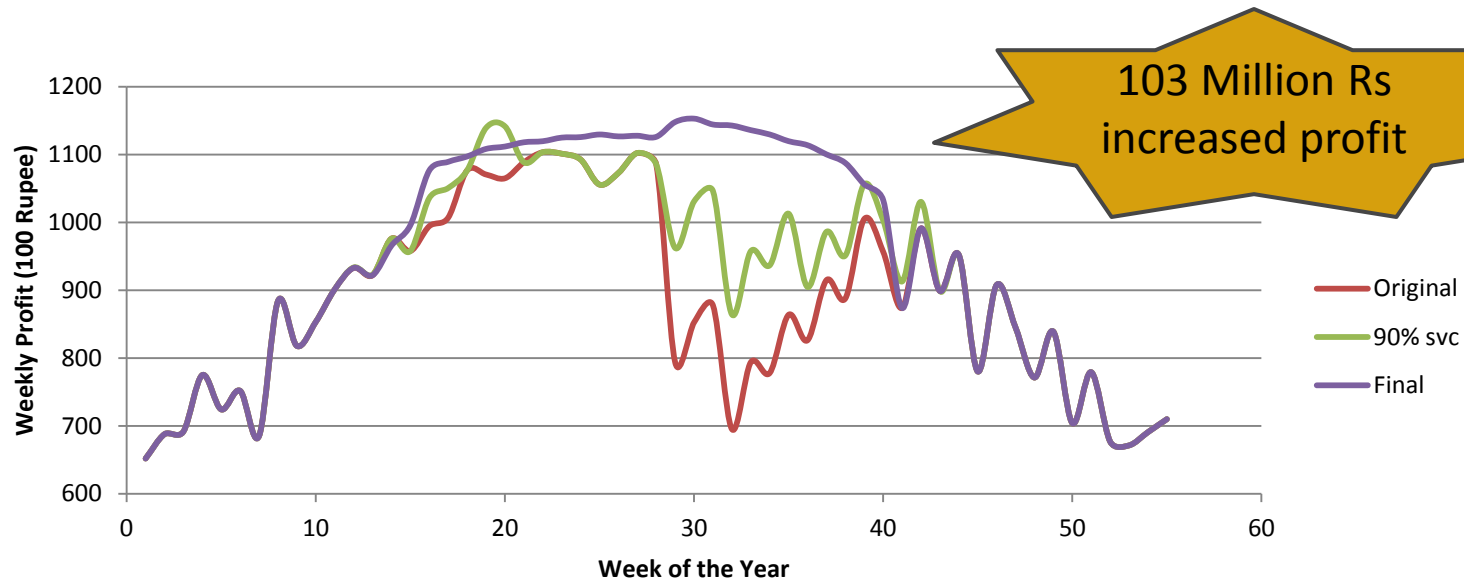
Problem

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Adaptive Forecasting & improved allocation

- ✓ Responsiveness to changing trends
- ✓ Better utilization of space
- ✓ Higher sales and profits
- ✓ Better customer service

Analysis



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Rationalization

- ✓ Better forecast and more store space per unit
- ✓ Increases service level
- ✓ Eliminates low selling products
- ✗ Possible loss of sales

Planning

Aggregation / VMI

- ✓ Reduces lead time, labor & complexity
- ✓ Greater overall profit through core products
- ✓ Identify products for possible inventory buildup
- ✗ Requires technology investment
- ✗ Organizational change challenges

Inventory

Analysis



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Run 3 production shifts during peak times

- ✓ Increased capacity during peak demand
- ✗ Does not really solve the problem

Manufacturing

New production facilities

- ✓ Increased production during peak times
- ✗ Major capital expenditure
- ✗ Does not solve the problem of stock-outs

Manufacturing

Inventory buildup during low utilization

- ✓ Smooth out production
- ✗ Possible quality concerns
- ✗ Preferences could change unexpectedly

**Inventory,
Planning**

RDCs in Kerala, Mumbai, & expansion areas

- ✓ Allows for continuous replenishment at local level without incurring prohibitive freight costs
- ✗ Not enough demands in these areas to justify
- ✓ Would be ideal as demand grows in these regions

Analysis



Situation Problem Recommendation Issues **Analysis** Implementation

Expansion consideration:

- Area: Karnataka
- How: Mixture of Kiosks and Parlors



Summary of Alternatives



Situation Problem Recommendation Issues **Analysis** Implementation

<i>Impact:</i>	Maintains Vision	Addresses Key Issues	Prepares for Growth	
Product Reallocation		Yes	Yes	Now
Adaptive Forecasting	Yes	Yes	Yes	Now
Renegotiate material contracts	Yes	Yes		Mid-term
Rationalization		Yes	Yes	Long-term
Aggregation		Yes	Yes	Long-term
3 Shifts during peak		No		Unneeded
Build up inventory		No	Yes	Growth
RDCs and/or new factories	Yes	No	Yes	Growth

Risk Mitigation



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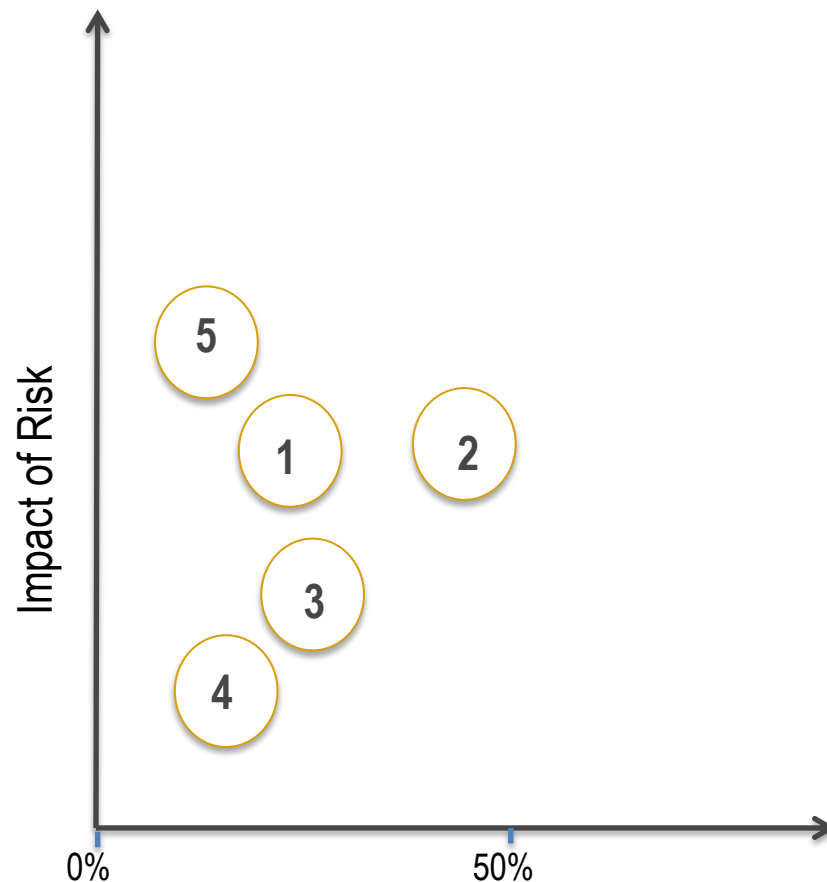
1 Sales loss from limited flavors

2 Demand Mismatching

3 Competitor Backlash

4 Unexpected taste changes

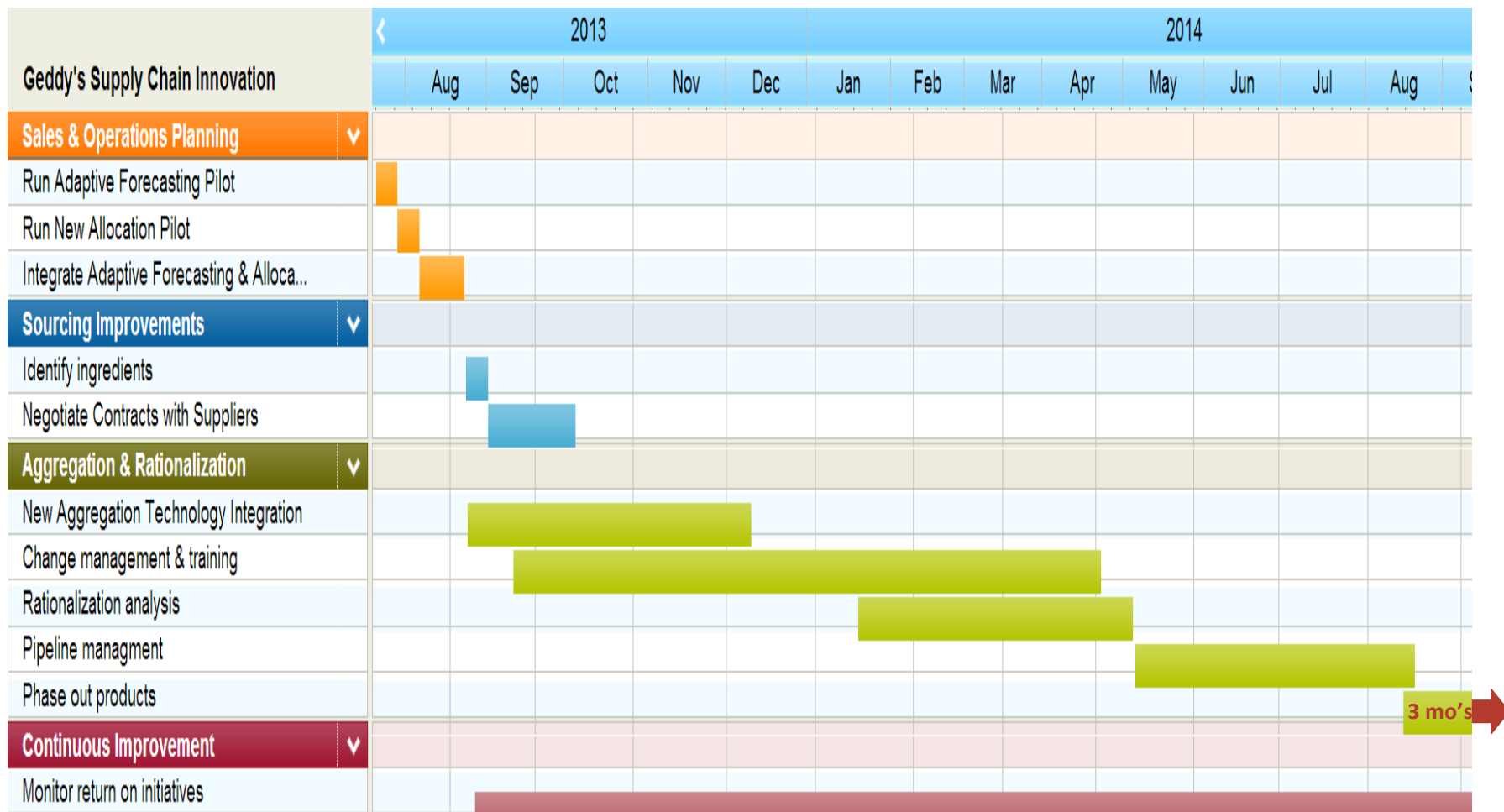
5 Macro Economic Factors



Implementation Plan



Situation Problem Recommendation Issues Analysis **Implementation**



Conclusion



Situation Problem Recommendation Issues Analysis Implementation

Key Challenges and Opportunities

- Cold-chain storage
- Fluctuating demand
- Large potential for growth

Capacity planning & Demand shaping

- Adjust service levels by product
- Rationalization across all stores

Implementation focus

- **Short-term:** market expansion
- **Long-term:** cost efficiency

Recommendations

- Use Better **Forecasting**
- Improve Inventory **Allocation**
- Long-term: Aggregation & Rationalization

Discussion Time



Key issue areas to consider



Manufacturing

Retail

Product Mix

Planning

Inventory

Sourcing

Contracts

Distribution

Funding

Policy Profitability Compared



Total Profit increase per Policy (rupee)	
Integrated Solution	103,923,773.78
90% Service Level	49,746,833.20

Maximizing Profitability

