

Analytics drives profit for Sanford

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CDP were personally recommended to me, and now I would recommend them too. Their approach and philosophy fits mine: make things happen, complete quick developments inside a larger plan. I wanted fast wins and I got them. I find CDP very good at reacting quickly when our development needs change. That responsiveness has been very helpful for Sanford.

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- Paul Turnbull

Commercial Manager Operations, Sanford Limited



Sanford Limited is achieving a ‘substantial’ return on investment by using a sales and operations planning process to generate rolling forecasts, creating a new ability to plan sales and financials 18 months ahead.

The shift from historical to forward-looking data has been “a real breakthrough” for Sanford, says Paul Turnbull, Commercial Manager Operations for Sanford Limited. Sanford is a diverse business, spanning farming, fishing, manufacturing, packaging, retail and exporting. Adding to the complexity, Sanford operates across multiple countries, information systems and currencies. The company was data rich but information poor. Monthly reports took three weeks to produce. Sanford operated solely on historical data and its ERP system had no materials requirements planning or forecasting capability. “The business needed forward looking decision making,” he says.

“Our brief to CDP was to implement 18-month rolling forecasts to 90% accuracy. We also needed to centralise and consolidate our reporting to cut reporting time.

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Our ability to forecast on a timely basis is yielding substantial returns on investment.

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Ultimately we’re using analytics to develop and implement a sales and operations planning process that’s linked to the financial process.”

90%

accuracy on our
18 month rolling
forecast

They started by consolidating our view of financial reporting and used this to drive the rest.” CDP took a modular approach, delivering quick wins early.

CDP and Sanford broke the entire analytics brief into eight projects: Financial & sales reporting; Cost analytics; Sales & financial planning; Operations reporting; Operations planning; KPI reporting; Headcount & payroll; and Disclosure management. Each project enables and drives the next.

To consolidate data across multiple companies CDP pooled all financials into a central source, then added budgeting and forecasting. Sanford can get comparative reporting for all companies - even if the company structures change.

Once Sanford had a handle on actuals, it looked forward. Rolling forecasts directly linked to volume planning enabled sales and financials planning for an 18 month period. All reporting flows out of this process. CDP and Sanford then moved to demand planning, with financial reporting and financial forecasting. Work is underway on operations planning, including volume metrics around catch, farming and production. By linking sales planning and operations planning, Sanford will get inventory planning.

A side project with Sanford's procurement staff analysed supplier invoices across NZ. This drove consolidation of suppliers and more favourable pricing terms.

The final phases: KPI reporting; Headcount & payroll; and Disclosure management are all underway or in planning. A phased approach continues to deliver value in chunks. Sanford's board and executives are getting valuable information around sales, pricing, risks and opportunities, Paul Turnbull says.

“ Our analytics have yielded huge benefits from a planning point of view. By linking operations forecasts into sales forecasts, we have been able to sell more high-margin products. Meshing sales with production was also a real breakthrough: we could look at how much fish it was possible to sell, then change our production constraints to enable us to sell it all.

The analytics CDP is delivering are improving growth and profit across the entire operation. ”

Summary

Sanford has improved growth and profit by placing analytics at the heart of its business strategy. It has moved from a historical view of business activities to a forward planning view. As a result it now forecasts sales and financials 18 months in advance. This forward-looking capability has driven financial, sales and operations improvements across the entire business. Capacity planning sees Sanford identify maximum possible product sales, then change production constraints to meet those maximums. After linking operations forecasts into sales forecasts, Sanford has also increased its production of branded products, maximising margin.

Business Benefits

- Consolidated, centralised reporting
- Better information on sales, pricing, risks & opportunities
- One view of multiple countries, currencies & systems
- Modular approach delivers quick wins
- Monthly reporting time cut by two thirds

Key outcomes

- Improved growth and profitability
- Shift from historical to forward-looking view
- Forecasting drives operational efficiencies
- Alter production constraints to reach sales maximums
- Margin maximised

About the customer

Sanford Limited has revenue of \$475 million, making it New Zealand's largest integrated fishing and aquaculture business. It operates 47 vessels and 210 aquaculture farms along with allied operations of cool stores, shipbuilding and engineering. Sanford has more than 20 subsidiary and associate companies including joint venture operations with Japanese, Taiwanese, Namibian, Australia and Korean interests.

“ CDP is delivering analytics that are improving the way Sanford sells and operates – financials were just the start.

The biggest return on investment is our ability to forecast on a timely basis – it's directly improving our growth and profitability. ”

- Paul Turnbull, Commercial Manager Operations, Sanford Limited



For more information please visit www.cdp.co.nz or email info@cdp.co.nz.

Contact us if you would like to know more about how our analytics, planning and data integration solutions can drive insight for your business.