GENERAL MILLS
EVALUATING AND IMPROVING SUPPLY CHAIN ROBUSTNESS

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General Mills is a manufacturer of consumer packaged goods, including cereals, snacks, yogurt, and other food products. General Mills supplies major retailers and provides services to its core customers for improving display configurations and stocking solutions. General Mills prides itself on best-in-class customer service and continually seeks to improve its service performance.

In the past three years, variability has increasingly impacted customer service performance and cost, but the cumulative nature of these impacts is only partially understood by supply chain stakeholders. In order to better serve its customers, General Mills seeks to understand where its supply chain lacks resiliency against variability, and how supply chain robustness can be quantified, monitored, and improved in order to support General Mills' shift toward agility.

The Tauber team began the process of investigating variability in General Mills' supply chain with a series of 30 stakeholder interviews and developed an end-to-end value chain map of the snacks supply chain. The team also created a variability network illustrating cause and effect relationships in the supply chain, and identified key variability sources that impact customer service performance.

Based on data analysis and interview responses, the Tauber team identified four primary sources of variability: demand forecasting, unplanned merchandising events, manufacturing variability, and supplier performance. The team also quantified the current impacts of these sources on the supply chain, identified key variability tolerances across supply chain functions, and recommended a decision-making methodology to improve customer service and reduce costs.

After adoption of the new decision-making methodology by the General Mills snacks team, we anticipate potential savings between $20–25M per fiscal year related to reduced inventory and more accurate forecasting. As the methodology is adopted across different divisions at General Mills, business-wide potential savings may exceed $210M. In addition, the Supply Chain Analytics team at General Mills will use the Tauber team's deliverables in determining actionable areas of supply chain strengthening over the next two to three years.