

GENERAL MILLS, INC.

Enabling Growth Through In-Store Display Volume Forecasting

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General Mills, a \$15.6B company, is the sixth largest food manufacturer in the United States and markets over 100 different consumer food brands ranging from ice cream to pet food. Special Pack (SPPK), also known as palletized display, is the second largest manufacturing platform within the company and supports 8% of overall US sales, totaling approximately \$960M. With over 1,300 new configurations created every year, SPPK is highly customizable and presents significant obstacles when trying to forecast demand beyond the immediate future.

Last year, General Mills experienced a 70% growth in SPPK demand, which disrupted the supply chain and resulted in an increase of stock-outs, wasted labor, and finished inventory deconstruction. In order to cut costs and reduce the probability of over/under producing inventory, General Mills needed to develop better process visibility and enhanced forecasting methods. These changes would smooth out SPPK production and produce significant opportunities for savings.

To take advantage of these opportunities, the Tauber team focused their efforts into three phases. First, the Tauber team mapped out the entire process from customer order to delivery. A gap analysis of the process revealed several opportunities for improvement, most notably the standardization of communication. Second, the team focused on designing a new forecast methodology to anticipate changes in demand 60 days out to smooth out inventory and capacity at the manufacturing facilities. Lastly, the team modified the existing reporting procedures to reveal more realistic expectations of customer behavior and adjust manufacturing accordingly.

Upon completion, all deliverables were transferred to designated employees within General Mills who will continue the work and oversee its implementation. With an estimated savings of \$425K to \$1M in the first year of implementation, the Tauber team is confident that the recommendations will provide immediate and continued value to the company and support its growth in the near term and future.