

How to Use Decision Intelligence and AI-driven Solutions to Optimize Procurement Planning and Blending Processes in the Beverage Industry

Resilient supply chains demand innovative strategies and optimal solutions. Supply chain leaders in beverage manufacturing face unique challenges that call for creative strategies and solutions. Evolving consumer demand necessitates better visibility and flexibility in beverage supply chains, but frequent disruptions add to the complexity of the industry environment. It is in these moments of disruption that the importance of resilience becomes most apparent, making it a key factor in maintaining market competitiveness.

Global brands, operating in diverse markets and using numerous channels to source their raw materials, face a constant battle to maintain their competitive edge. However, with decision intelligence and AI-driven solutions, they can confidently tackle procurement challenges, ensuring the production of top-quality blends at minimal cost, and successfully navigate the complex procurement landscape.

› Key Challenges

Sustainable success in the beverage industry hinges on intelligent procurement and effective blending processes. Addressing procurement and blending challenges is crucial for maintaining competitive advantage and ensuring long-term success.

Optimizing Purchasing Capability

Beverage manufacturers' purchasing capabilities depend on the prices and quantities available from their suppliers. High prices or low quantities may severely affect cost efficiency and reduce their global competitive edge.

Purchase Quantity-Dependent Unit Price

In the beverage industry, unit prices may fluctuate based on purchase quantities. This change in pricing makes it difficult to forecast costs and prepare a budget.

No Fixed BOM/Recipe

No fixed recipe or bill of materials makes procurement planning difficult. Variations in ingredient requirements can cause product quality and flavor profile inconsistencies, increasing costs and affecting the desired flavor.

Diverse Ingredient Sourcing

Sourcing ingredients from multiple markets and channels leads to price fluctuations and logistical challenges, amplifying uncertainties in the blending process.

Variations in Ingredient Quality

Seasonal changes affect ingredient quality, challenging consistency, and reliability in the blending process.

Adaptability Across Global Facilities

Catering to diverse regional demands requires significant adaptability and responsiveness, balancing production schedules, inventory management, and delivery schedules.



➤ Overcoming Challenges with ICRON Cloud-Based Procurement and Optimal Blending

ICRON works alongside some of the biggest brands in the beverage industry to implement efficient solutions for their long-term and mid-term blending and purchasing decisions. ICRON's Procurement Planning and Blending Optimization Solution is a revolutionary cloud-based product that provides high visibility and flexibility for beverage supply chains.

Agile Blend Optimization

- Generating dynamic blend recipes based on market availability and blend quality specifications.
- Performing in-depth 'What-if' scenario analysis to compare changes in demand, supply, and blend specifications.
- Administering comprehensive root-cause analysis to determine factors leading to unsatisfied blend requirements.

Optimal Buying and Shipping Decisions

- Supporting data-driven decisions for strategic buying and manipulating market pressure.
- Integrating mission-critical lead time data for informed buying decisions.
- Gaining visibility over the global supply of materials for efficient production.

Integrated Data Management

- Two-way data integration with diverse global data sources.
- Data generation, management, maintenance, and coordination based on business rules for data-driven decision intelligence.
- Managing relevant business data with data upload/export functionality and data archiving.
- Creating a multi-user environment with specified user roles and authorization.

➤ Commitment to Quality and Technological Innovation

Driven by an unwavering dedication to quality and innovative technology, ICRON consistently delivers high-end, customized solutions to the beverage industry. These transformative solutions optimize operations and revolutionize supply chains, positioning customers at the core of business success.

Optimize with ICRON today!

Get in touch: hello@icrontech.com

Results

Recently, the ICRON team worked alongside the biggest brands in the beverage industry. We created customized procurement planning and blending optimization solutions that led to the following results in their beverage manufacturing business.

- Raised demand satisfaction levels to **96%**.
- Reduced procurement costs by **30%**.
- Reduced optimization run time from 180 minutes to 15 minutes.
- Achieved a **5%** reduction in worldwide inventory levels.
- Enhanced multi-objective optimization.
- Improved 'What-if' scenario analysis and comparison.
- Enabled detailed backlog and unsatisfaction reason analysis.

