



Simpson Associates

Quorn Foods

Case Study: Planning and Forecasting

Client Overview

Launched in 1995, Quorn Foods is the UK's 35th biggest food brand and offers a wide range of meat-alternative products. It turns over £140 million a year. Quorn Foods operates in a volatile and highly competitive environment. Against strong external factors, promotional activity is a key investment tool.

Client Response

"We no longer have to crunch numbers. We have the time and capability to provide analysis and insight, both from a forecasting point of view and also an actuals and performance point of view."



Key Benefits

- The impact of promotions on sales numbers and profitability are clearly visible.
- Volume and Spend information is consistent in all forecasts.
- Forecasts can be re-cast every month with complete confidence in the numbers.
- Forecasts are created with time to spare to provide the detailed analysis.
- Supply chain and profitability “shocks” have been eliminated.

Summary

Faced with a storm of market volatility and forecasting tools that had been stretched to breaking point, Quorn Foods embarked on an ambitious project to put in place an integrated demand and financial planning solution, in one hit, and within very tight timescales.

Simpson Associates worked collaboratively with Quorn Foods to implement BOARD's performance management and forecasting system in a business critical project that touched people, processes and data. Finance Director, Martin Lofnes, now has absolute confidence in the data accuracy and depth of insight that he can provide to the business owners.

Over stretched systems

“Last year we found that the volatility of our markets really increased. Competitors upped their promotional activity and there was a blurring in categories with retailers switching space with adjacent categories. Our old way of forecasting simply couldn't cope. All of this meant that it was very challenging to forecast performance and to explain variances.”

Martin Lofnes

Finance Director

The old way of forecasting and reporting relied on very large linked spreadsheets that had been built over time, and on the skills and experience of a number of key personnel who were effectively holding processes together. Sales Director, Richard Garner admits that the previous 'monolithic' spreadsheet system made it hard to put full faith in forecasting data. He says, “We actually had two forecasts; a weekly forecast and a monthly forecast. Where they overlapped, you'd expect them to say the same thing. Too often, they didn't.”

Lofnes describes the consequences of getting forecasts wrong. He says, “If you have a 'Buy One Get One Free' with a major retailer for example, the uplift in sales is enormous. Ensuring that volume and cost forecasts are matched and that volume uplifts are accurately captured is key. Otherwise you end up with service issues and/or profit issues. Getting it right is really key. Too many times I had to explain why we'd missed our profit margin because we'd missed spend for a promotion that was included in the plan.”

Lack of insight

“We would spend a fortnight crunching a set of numbers to present an end point without any detailed analysis into the forecast. Also, it became impossible to identify whether we had any errors, simply because of the volume of data. For a number of years, we just about got away with it but as the business grew, expectations grew in terms of the level of customer analysis we needed to manage the business, and we found ourselves with a bit of a monster.”

Jim Darton

Head of Commercial Finance

Turning Point

Lofnes recognised that the status quo was untenable in a company that relies on forecasting to understand sales and profitability and, critically, to plan the supply chain. He committed time, budget and resources to put in place the forecasting and reporting capability that the business so clearly needed. His intention was to start with just financial forecasting but it rapidly became clear that the sales and financial forecasts were so closely integrated that it made more sense to address them as a single project.

The project team of Lofnes, Garner and Darton went out to tender for a comprehensive forecasting tool. Simpson Associates submitted a joint tender with BOARD. Darton explains why the joint proposition was so appealing. He says, “BOARD appealed the most in terms of being able to do both forecasting and reporting. It also came at the right price tag for a business of our size. With the level of integration and business intelligence capability, we would have one tool that could take us all the way from sales forecasting to cash flow.”



Ambitious project

Neither Simpson Associates nor Quorn Foods were under any illusions about the scope of the project. Darton says: "It was an incredibly ambitious timetable, both in terms of what we were trying to deliver and the resources that Quorn had available to assign to it. Simpson Associates had to put in a huge amount of extra effort and really hang on in there with us to get it finished. To their credit they absolutely did."

Jim Darton

Head of Commercial Finance



Simpson Associates worked with a wide cross section of the Quorn business to translate data, processes and requirements into the new integrated solution. Lofnes says: "It felt very much like a partnership because we were explaining what we wanted to achieve and what we needed the outputs to be. Simpson Associates proposed new ways of going about this and how we could use the functionality of BOARD to give us what we needed."

Winning back business confidence

BOARD now provides direct integration with Quorn's SAP ERP system. It provides reliable forecasting data, deeper insight and enhanced ability to measure the return on investment from promotional activity.

Garner says: "In the past we would have had to put blood, sweat and tears into producing the start of month forecast. The beauty of this system is that the week before the month is due to start, we can do a quick re-run of the forecast to get an update. We can now make changes based on what we see in the forecast. In the past it would have been based on gut feel and estimate." He adds: "I can make changes to a forecast and within minutes see what the output of that is. In the past I would have had to wait days or even weeks." Garner's team can also now see the impact of promotions on sales numbers and profitability. He says: "The only time, previously when we got a total view of business performance was at formal re-forecast time. Now, almost at the press of the button, I can get a forward view any time that I want." He adds: "Because everything is built bottom up within the forecast, we don't have the situations we had in the past where we would be forecasting a spend and no volume or a volume and no spend. We no longer get the level of supply chain or profitability shocks."

For Darton, one of the biggest benefits is in the insight that he now has into performance data. He says: "We no longer have to crunch numbers. We have the time and capability to provide analysis and insight, both from a forecasting point of view and also an actuals and performance point of view."

Critically for Lofnes, he is able to give the business confidence that the finance and sales teams are forecasting accurately and can provide insight into performance variances. He can give them much more granularity. This, in turn, gives his team much greater credibility which is something he was struggling with last year.



Support from Simpson Associates

Simpson Associates are specialists in defining, building and implementing information management solutions, which provide better business understanding and improved business management performance.

Our considerable skills and experience enable long-standing relationships with our clients and we have principal partnerships with Microsoft, IBM Cognos and BOARD.

"Jim [Darton] has mental scars from last year's forecasting and reporting processes. The project has been quietly transformational. I can now sleep at night."

Martin Lofnes
Finance Director

Contact us

Should you have any questions or require any further information, the team at Simpson Associates will be happy to help you with your request.

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