CASE STUDY

CONNECTING SUPPLY CHAIN AND FP&A PROCESSES IN ANAPLAN ENHANCES FORECASTS AND ENABLES STRATEGIC PLANNING

Founded in 2007 and headquartered in Austin, Texas, Vital Farms is the leading U.S. brand of pasture-raised eggs and ethical production of ghee and butter. Vital Farms began as one farm, but has grown into a network of over 200 family farms that are now used to source their products.

As pasture-raising pioneers, Vital Farms' purpose is rooted in a commitment to Conscious Capitalism, which prioritizes ethics over profits. They distribute and sell their products to a network of over 13,000 partners across North America.

INDUSTRY
CPG, Fast Moving CPG, Ethical Food

USE CASE
Demand Planning, FP&A

TECHNOLOGY
Anaplan

CHALLENGES

Vital Farms had been planning in MS Excel for their Demand Management and FP&A processes with little ability to guide operational planning from demand management. Their planning process was a best guess scenario with data accuracy challenges.

Business processes lacked accurate forecast generation or any qualitative statistical modeling. Also, there was an inefficient enrichments management process, which made it difficult to capture the necessary levels of market intelligence to include in the forecast.

This lack of accurate demand information by product and customer directly impacted Vital Farms' Revenue / COGS planning and the rest of their FP&A processes. Also, with little data automation and a lack of accurate validation, numerous tracking challenges were created.

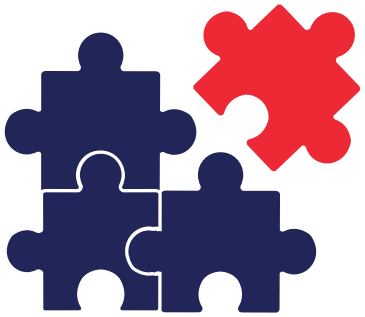
With Vital Farms moving from a privately owned company to being publicly traded, the company needed a best in class budgeting and demand planning solution to improve their planning cycles.

SOLUTION

With the desire for Vital Farms to accomplish all of their forecasting and budgeting needs under one platform, Anaplan was the selected technology solution to execute their Demand Planning and FP&A processes.

Accelytics implemented a weekly statistical forecasting tool to ensure a qualitative vs. judgmental approach is used for demand forecast generation. Vital Farms leverages statistical forecasts by "Item" and "Customer" from ordering history, shipments and syndicated data to align the various history streams and generate an accurate baseline forecast prior to any enrichments being layered onto the forecast. The demand planning process allows users throughout the organization (marketing, sales, new distribution, innovations teams, etc.) to easily and accurately include forecast enrichments into the plan, with robust snapshotting and reporting capabilities that provide forecast accuracy and KPI visibility to reconcile the planning process.

The FP&A solution leveraged the demand plan and statistical forecast in real-time to drive Revenue and COGS planning. Vital Farms now has the ability to generate a full FP&A budget that allows planners to manage their P&L, Balance Sheet, Cash Flows, Workforce, Capex, and OPEX through various methods (Zero Based Budgeting, Inputs, Allocations, etc.). Scenario planning and What- If capabilities are incorporated to understand the business/market impacts as they arise in a real time environment (i.e. COVID skyrocketing demand for Eggs and Butter during quarantine and how they manage this demand going forward). KPI and Plan reconciliation guide the planning process by aligning budget to actuals and measuring forecast accuracy.



The demand planning and FP&A models were built to scale and easily grow with the expanding company.

RESULT

Upon leveraging the Statistical Forecasting capabilities in Anaplan, Vital Farms was able to immediately create a detailed and qualitative weekly forecast to use as their baseline forecast, something previously not possible. The enrichments process that layers in market and business intelligence assumptions allows users to manage each piece of the forecasting process in one model, with the ability to take snapshots and track changes in a clean, concise format for KPI & Forecast accuracy purposes, as well as provide real-time updates to their Consensus Planning.

A connected plan between orders demand and FP&A models for Revenue & COGS purposes allows forecast orders to stay in sync and all be managed in one workspace. A simple, but detailed allocation process allows planners to easily manage their P&L. Reporting and KPIs to reconcile budget to actuals provides detailed (and automated) reports not previously had by the organization. What- If and scenario planning easily allow the CFO to layer on high-level adjustments and see the downstream impacts to their financial statements.

With the success of demand planning and FP&A models within Anaplan, the organization has already started to expand into additional use cases including Trade Planning, Egg Supply Tracking and additional use cases coming in the near future.

ACCELYTICS

Accelytics stands for "accelerated analytics." Our team specializes in business process optimization and technology enablement within the scope of supply chain, sales performance management, and financial planning and analysis.

Accelytics leverages its Accelerated Approach methodology to help clients establish industry focused sustainable processes while using technology as a true enabler to the process.

Our experienced team delivers a broad range of services to help clients throughout their entire transnational journey. We provide solutions that include business process optimization, technology enablement and support services.

Accelytics is headquartered in Houston, TX with offices in Dallas, Denver, Minneapolis and New York.
Learn more at www.accelytics.com.