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Locus Solutions Frees California Natural Products' Critical Business Information from "Data Jail"

California Natural Products (CNP), a leader in aseptic packaging and natural / organic ingredients production, has deployed a Locus Solutions business analytics system to help the company manage its increasingly diverse customer base, as well as the complexities of its recently launched products under the CalNaturale™ brand (CalNaturale svelte™ protein drinks and CalNaturale™ organic Cabernet Sauvignon and Chardonnay).

CNP uses the Locus solution, which is based on IBM Cognos business analytics software, to forecast customer demand, manage costs and make pricing decisions to realize significant growth in revenue and increased profits.

"CNP expects that the business intelligence system will help the company grow by an additional 10 percent this year and reduce costs by 5 to 10 percent as a result of better planning and managing more accurately in this dynamic manufacturing environment," said Rick Elliott, Program Manager. "CNP can right-size production capacity more accurately as a result of better forecasted demand, and now has better visibility of supply chain demands to negotiate better costs. CNP gains access to data in minutes instead of days, and can respond to changes on a daily basis instead of once a month or once a quarter. With reports available in minutes versus days, CNP business managers can do a week's worth of work in just a few hours, for a 10x time advantage. Locus has enabled CNP to gain a significant competitive advantage over its competitors for the next several years."

The Problem: Uncertain Forecasting

For CNP, one of the most difficult things to obtain was a sound customer forecast. CNP needed to anticipate and dynamically react to how its customers' forecasts were impacting its business by changing capacity, priorities and daily schedule and by managing spending in a manner that maximizes customer service while reducing unnecessary cost. This environment was further complicated by the fact that most of CNP's customers manage their own supply chains to provide the materials to CNP.

The Solution: CNP Freed from "Data Jail"

CNP's previous monolithic ERP system was a "data jail" that required importing millions of rows of data in order to generate a single report. Analyzing the data this way was taking days and even weeks to generate meaningful information that could be used to drive the business and was often prone to contain errors because of the complexity of the manual efforts to gather and combine the various data sources.

CNP determined to work with Locus Solutions, a technology consultancy with the essential expertise needed to quickly create and facilitate the successful implementation of a Financial Performance Management and Business Intelligence solution that could address these issues and help CNP avoid unnecessary costs.

Without the Locus solution, CNP would have continued to require weeks and months to adjust to changing business conditions, and with this after-the-fact analysis, the situation invariably would have changed. CNP is no longer at the mercy of monolithic "data jail"

data warehouses. This means CNP has integrated planning and sales to use a market-driven approach in both sales and service to make the company more competitive and deliver greater value to its customers.

The Locus business analytics system for the food manufacturing industry is state of the art in terms of business visibility and speed. With critical business information readily available, CNP now knows more about its markets and customers' growth potential than ever before. The Locus solution provides a myriad of advantages, since all data is summarized with trending, users can predict and compare, looking at prior, current and future years, comparing by products, regions and customers, enabling marketing to understand customers' business in much greater detail and far more rapidly than before. "No other companies in this business segment have been able to achieve comparable visibility to our knowledge" said Rick Elliott, Program Manager.

The Locus business analytics system enables users to granularly evaluate costs and margins at the SKU level, ranking customers, to determine which ones are growing and which ones are not, and which SKUs have the greatest potential impact on future profitability. For CNP, if the customer claims its business is growing 20% but CNP can see the category is growing just 5%, then CNP can evaluate if the customer's forecast is "pie in the sky" or not and respond accordingly in real time versus after the fact.