



Improving Supply Chain Planning helps Minsa Increase Earnings by 10%

Minsa is the second largest corn flour producer in the world with six plants in Mexico, two in the U.S. and one in Guatemala. The company has 30 distribution centers and more than 20,000 customers in government, distribution and grocery stores as well as in the tortilla manufacturing industry. Minsa is one of the first companies in Mexico to select Infor Advanced Planning to help them drive superior supply chain operations, reduce production costs and ultimately improve their financial performance.

According to Dr. Jose Cacho Riveiro, CEO of Minsa, the company's primary business objectives were to "increase their competitiveness in a depressed market by providing higher levels of customer service while reducing costs through supply chain efficiencies." These seemingly fundamental business objectives were complicated by external factors such as incremental increases in raw material acquisition costs, reduction and volatility in per capita demand and increased competition. Moreover, Minsa had to face increased distribution logistics complexity (more customers purchasing fewer goods) and requirements by major customers for improvements in service and product quality while demanding lower prices.

Minsa saw that the best way to meet their objectives while managing the complex array of forces working against them was to optimize all of their supply chain processes in order to create a more efficient supply chain. Working with Infor's local distribution partner, GCM, Minsa selected Infor Advanced Planning to be the cornerstone of their supply chain efficiency improvement plan.

Tortilla Market Statistics (over 5 year period)

(Tortillas are the primary finished good for Mexican Corn Flour)

- 35% reduction in tortilla consumption
- 18% reduction in tortilla production
- 130% increase in tortilla price
- 33% increase in number of customers but a 52% reduction in purchase requirement per customer



customer success story
food & beverage

Business Objectives

Create accurate, optimized plans for:

- Raw materials acquisition based on variables from:
- 60 harvest regions
- Seasonality constraints
- Materials inventory
- Finished goods inventory
- Transportation scenarios
- Projecting various import options

Infor Solution

- Advanced Planning

Benefits

- Reduced storage, transportation and financial costs
- Optimized plans for purchase quantities, locations and durations
- Improved production distribution plans based on:
 - Plant characteristics
 - Seasonality
 - Supply chain costs
- Centralized planning for 30 distribution centers



Infor Advanced Planning

Infor Advanced Planning is a powerful, strategic and tactical supply chain planning solution that provides optimized answers to complex business problems.

Infor Advanced Planning delivers unparalleled value to customers by offering best-in-class planning solutions for enterprise-wide deployment.

Advanced Planning adapts to each customer's existing business processes and provide optimized ways to help each customer be more profitable, utilize existing resources more effectively, provide higher levels of customer service or any other key performance indicator, and ultimately help the customer drive to higher levels of supply chain efficiency and success.

Included among the many areas in which Advanced Planning can help are:

- Push/Pull Planning
- Recipe/Formula Optimization
- Disassembly Planning
- Maximizing Available Shelf Life
- Multi-Site Planning

Through the course of the initial implementation and go-live process, Minsa leveraged one of the core strengths of Infor Advanced Planning; modeling their entire supply chain. In this they, incorporated all physical, financial and business constraints in order to create integrated plans for supply, production and distribution.

During these early stages, Minsa quickly found ways to improve their supply chain operations and reduce overall supply chain costs helping them achieve almost immediate ROI. These cost reductions and efficiency improvements helped boost Minsa's earnings by 10%, an impressive task considering the depressed market in which the company operates. Included in these early successes were:

- Reductions in purchasing, inventory and transportation costs
- Optimized plans for raw material purchases and quantities based on demand, costs, harvest region, etc.
- Production plans that fully reflect the fixed and variable costs of each production facility ensuring optimized capacity
- Optimized production plans that consider global manufacturing and distribution options

Now, Minsa looks forward to further improvements and cost reductions as they fully utilize the power of Infor Advanced Planning. These improvements and reductions are expected to come in the form of:

- Centralized logistics and distribution planning that will help to streamline these typically decentralized processes
- Modification of static, purchasing, production and distribution processes into dynamic processes where Minsa is able to minimize cost and maximize profit based on:
 - Obtaining the best purchase prices based on quality, quantity and timing;
 - Discovering the best production options based proximity to materials, inventory, labor and customer demand
 - Utilizing the best distribution scenario based on all of the above
- Optimized plans that account for seasonality impacts to raw material availability and demand

With Infor Advanced Planning, Minsa is in control of their supply chain planning processes and can now fully strive to meet their global business objectives.

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