

# TCHO

## TCHO Achieves Sweet Planning Success with DemandCaster

*“With DemandCaster, it’s like I can see the future. I can better anticipate what’s coming next and as a result, take preemptive action.”*

Janet Poeschl

SVP, Supply Chain and Innovation

### About TCHO

TCHO ([www.tcho.com](http://www.tcho.com)) is a maker of premium chocolates based in Berkeley, California. Founded in 2005, the company has built a loyal following for its products, which are created from cacao beans sourced directly from cacao bean farmers and cooperatives. Its customers are drawn to its chocolates for their high quality and unique flavor profiles and for the sustainable methods the company embraces. It’s a winning formula that continues to attract converts.

### Challenges and Needs:

- ✓ Stockouts and customer service issues surfaced gaps in demand, supply, and inventory planning.
- ✓ Sought to improve service levels while minimizing the risk of obsolete (i.e., expiring) inventory.
- ✓ Lacked an automated method to perform material requirements planning (MRP).
- ✓ Existing planning tool was too complex to meet current business needs and hindered agile decision making.
- ✓ Lack of bi-directional integration between TCHO’s NetSuite ERP system and the current planning tool caused extensive amounts of manual work.

### Solution Benefits:

- ✓ On time In Full Shipments (OTIF): Improved by nearly 20%.
- ✓ Production: Increased by more than 50% while maintaining or exceeding service levels.
- ✓ Stock-Outs: Achieved greater than 4x reduction in critical out-of-stock items.
- ✓ Finished Goods’ Days of Supply (DOS): Reduced by 63%.

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TCHO’s artisan chocolates encompass a broad range of products and SKUs—everything from chocolate nibs used in baked goods, coffee, beer, and ice cream to specialty bars sold to grocery chains, restaurants, and direct to consumers online. It can take more than a year for TCHO to receive manufacture-ready cacao beans from growers once it places an order, so it needs the ability to plan its supply chain well in advance. Not just for sourcing, but for every step from bean to packaged chocolates. To pull it off, the company had to overcome some key challenges.

### Shifting from Reactive to Proactive Planning

The chocolates TCHO produces have a limited shelf life, so ensuring the freshest inventory was a top concern and to minimize inventory costs, the company had to stay in front of fluctuating demand.

It wasn’t doing that consistently and reliably when Janet Poeschl, Senior Vice President of Supply Chain and Innovation, came on board in 2016. “When I first started, they were setting the production

schedule only a week or two in advance, which was highly reactive to customer demand.”

As a result, the company experienced stockouts and lower service levels, which put customer retention at risk. Poeschl recalls a customer telling her, “If this isn’t improved, we are not buying from you anymore. We love your chocolate but you can’t guarantee good service.”

After revamping their planning processes and implementing DemandCaster, “Now we don’t have that issue,” Poeschl says. “DemandCaster has really helped facilitate more effective inventory management for our product families. We can look at our items and compare them to customer orders or what is forecasted so our plant operations can be more proactive with production instead of reactively responding to customer orders.”

Being proactive is paying off. Since making the switch to DemandCaster, the company has reduced critical out-of-stock items four-fold and finished goods’ days of supply (DOS) by 63%.

### Transforming Productivity with Two-Way NetSuite Data Integration

When it comes to what Poeschl required from a supply chain planning solution, one capability in particular topped her list: material requirements planning (MRP). “I needed MRP. I needed the ability to explode the bill of materials so that our purchasing team would know what raw material to buy and when.”



The problem was, she couldn't do that easily with the legacy supply chain planning solution she inherited when she joined the company. "It was not providing good MRP and it was confusing to look at. In addition, it offered only partial integration with NetSuite. It was only one-way," says Poeschl. The solution could receive data from NetSuite, but it was not capable of generating work orders. Instead, she had to create them manually, a very time-consuming process.

Using the two-way integration in DemandCaster, Poeschl can now seamlessly pull data from NetSuite and push work orders out to production in one seamless, streamlined process.

"We really needed a good supply chain planning system, so we could execute more effectively on our orders. And what's great is DemandCaster gives me this in a way that works well with our NetSuite system—I get the best of both," says Poeschl.

## Using Precise Planning for More Agility

TCHO's customers range from wholesale distributors to consumers who buy its chocolate bars through the company's website. To maximize efficiency, the company manufactures its chocolates in master cases. And yet 80% of its order lines are for individual units such as bars and gift boxes.

Thanks to DemandCaster, it's been able to streamline fulfillment of these orders. For example, with the enhanced forecasting precision she gets from DemandCaster, Poeschl is able to give the warehouse



advanced warning when to break into master cases to pull out "eaches" (individual units) to meet upcoming online orders and the 48-hour turnaround they require. Process improvements like these have enabled TCHO to boost on-time shipments by 20%.

By the same token, DemandCaster's precision helps ensure the chocolatier doesn't overstock on certain SKUs. For example, among its many product lines are eight-gram squares. They come in six or seven flavors and in nearly 50 different packaging configurations. Poeschl likes that DemandCaster enables her to fine-tune inventory planning for products like these, which have a limited shelf life and yet so much variety.

"I don't want to plan too far in advance on the eight-gram squares. I don't want to end up with too many of one product when the demand comes in at the last minute for a different configuration," says Poeschl.

The planning agility DemandCaster provides is one of the key reasons why TCHO has been able to increase production by more than 50% while maintaining or exceeding a 98.5% service level.

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# Supply Chain Planning Success at TCHO

## Making Better Decisions with Visibility and Insight

Poeschl says that the enhanced visibility she gets from DemandCaster reveals insights into her supply chain that help her make better decisions about TCHO's product portfolio.

For example, during a recent demand review, she noticed that the inventory within a particular product family was not depleting as expected. She checked with her sales team, who had no information on the slow down. Sensing something was up, Poeschl canceled planned production.

"Then we got notification from a customer that they were discontinuing three SKUs related to that product family," Poeschl says. "We were able to make a timely decision and cancel production on those products because of what I saw in DemandCaster. That was visibility I did not have previously."

Poeschl finds that DemandCaster's visual graphics are especially useful when it comes to drawing conclusions about inventory and demand. "With DemandCaster, getting the information I need to make good decisions is no longer time-consuming. I can toggle between screens and trust that the data presented to me is correct."

**With the help of DemandCaster, TCHO is reaping the benefits of a more proactive, agile, and proficient supply chain planning practice and establishing a solid foundation for lasting sweet success.**



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DemandCaster supply chain planning software empowers organizations around the globe to stay ahead of the unexpected with unprecedented insight and agility. Powerful and intuitive, DemandCaster supports the entire spectrum of supply chain planning in one modular cloud-powered suite. It enables plans to be put into action with the click of a button and removes the barriers that keep planners from doing their best work. With DemandCaster, agile supply chain planning becomes a reality and turns your planning process into a continuous driver of efficiency, profitability, and growth.

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