



Aramark Streamlines Procurement Planning to Reduce Costs

Gains Competitive Advantage



Industry

Wholesale Distribution/
Employee Uniform Services

Headquarters Location

Pennsylvania, USA

Size

\$12.8B revenues, of which \$2.5B is for the Aramark Uniform Services business (FY2020)

New Horizon Products

Buyers Workbench

Objective

As part of a supply chain transformation project, replace Excel to plan purchases of uniforms and related products; Lower purchasing and freight costs; Improve efficiencies

Solution

Implemented New Horizon Buyers Workbench across the entire US uniforms business, both rentals and sales; Integrated with Oracle ERP

Efficiency ▲

Improved ordering efficiency

\$500K/yr. ▼

Reduction in costs from fewer internal transfers between DCs

Turns ▲

Increase in inventory turns

A Leader in Employee Uniform Services

Based in Philadelphia, Aramark (NYSE: ARMK) is a leading global provider of food, facilities, and uniform services. Its Aramark Uniform Services business is the second largest uniform services provider in North America, where it provides a full-service solution, including design, sourcing and manufacturing, delivery, cleaning, and maintenance on a contract basis. Their uniform rental business uses a network of over 350 laundry plants, satellite plants, depots, distribution centers, and manufacturing plants supporting approximately 3,600 pick-up and delivery routes. The company manufactures some of the products it distributes, and also procures products internationally, including from China and Mexico.

The Search for a New Procurement Planning Solution

Aramark's supply chain is a strategic competitive weapon for providing superior service at the lowest possible cost. They embarked on a project to transform their supply chain by modernizing a number of disparate older systems. For procurement planning specifically, they were looking to replace Excel with a more sophisticated solution for purchasing uniforms and related products.



New Horizon's expertise and experience were clearly evident, and their ability to adapt to the unique challenges of apparel forecasting and demand planning was key to our success. It was a pleasure working closely with such a highly talented team of supply chain professionals on the specific challenges of the apparel industry.

– Daniel Cannan
Director, Supply Chain
Planning

Why New Horizon

After a careful evaluation, they decided to go with New Horizon because it had the following capabilities the alternatives couldn't match:

- Ability to automatically build optimal full truck and container loads to minimize freight costs by ordering extra product quantities from a single vendor or combining orders from multiple vendors
- Ability to calculate and plan manufacturing capacity and not simply respect capacity constraints
- Ability to plan the number of shipping containers needed
- Open-to-buy planning and reporting for seasonal purchasing

Rollout Across Entire U.S. Business

Aramark implemented the New Horizon Buyers Workbench procurement planning application, first in the U.S. rentals business, and then for uniform sales. The solution is tightly integrated with the Oracle supply chain solution Aramark implemented in parallel. About ten planners use Buyers Workbench for planning procurement of 25,000 items sourced from internal plants and contract manufacturers in the Far East and distributed out of four distribution centers in North America.

Improved Ordering Efficiency, Increased Turns, and Reduced Transshipment Costs

With the advanced capabilities of Buyers Workbench, Aramark has been able to streamline its procurement planning and lower costs to improve its competitive position. Specific benefits of the project include:

- Improved ordering efficiency; Allows more time for strategic analysis rather than building purchase orders
- Improved inventory turns while achieving higher service levels
- Savings of \$500K per year on shipping costs by reducing internal transfers between DCs

To learn more:

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