

Molson Canada Raises a Toast to ALT-C's TimeTrends Forecast Warehouse



"We have a very complex forecasting process that is quite unique to Molson, so our forecasting system has to comply with what we ask it to do. The TimeTrends Forecast Warehouse has the flexibility to meet the needs of a client with a different set of rules. It is an amazingly stable system with a unique hierarchical approach and an extremely 'intelligent' database engine that understands how to maneuver data to maximize forecast accuracy."

Phil Wolf
Manager, Demand Planning
Molson Canada

meet the needs of Molson. Working with forecasters from Quebec, Ontario and the West, Wolf and his team prepared a 50-page Request for Proposal document outlining precisely what was required in their forecasting system. This document was sent out to solicit quotations from approximately 30 firms around the world including France, the U.S., Canada and England.

Molson is Canada's pre-eminent brewer with more than \$2 billion in annual sales. Founded in 1786, Molson Canada is North America's oldest beer brand and a global brand name with products that include Molson Canadian, Molson Export, Molson Dry, Rickard's Red and the Brazilian beer brand Bavaria.

The Situation at Molson Canada

In 1997, the company embarked on a search for a planning and forecasting solution that would enable it to more accurately predict consumer demand and consequently improve the efficiency of its Breweries. Since the mid-80's, Molson had been relying on the forecasting component of its DRP system. Phil Wolf, Manager Demand Planning at Molson Canada

recalls, "The existing forecasting component wasn't exactly what we wanted, but it fit into the weekly DRP environment, and it did the job. The problem was that it was very cumbersome, required too much administrative work and did not respond as quickly as we wanted to the consumers' needs. Essentially, this was a monthly bucketed forecast engine that used calendar keys to split the volumes down into weeks. Molson recognized that in today's market new trends develop on a weekly basis and our Breweries must be prepared to adjust to this trend as soon as it is recognized."

With this as background, Wolf was placed in charge of a team of forecasters from across the country with a mandate to find a 3 to 5 year solution that would

Molson's Elaborate and Complex Forecasting Needs
"I think we frightened a lot of people off because we were very specific about what the system had to do," said Wolf. "Our requirements included not only forecasting packaged and draft share by month for marketing, but we also had to translate these forecasts into a weekly production volume by warehouse." Wolf explains that Molson Canadian beer is available in 11 pack sizes of cans and bottles. "In terms of forecasting, our business processes are quite unique to Molson. We commit to a single source forecast across the marketing, finance, and sales functions. Wolf further explains that his department forecasts out 80 weeks, every week, with the current week's new data."

In addition to the approximately 1000 item locations that are forecast on a weekly basis, the marketing and sales departments often run promotions that must be forecast independently from the 'normal' brand pack forecast. Forecasts must be turned off and on at the appropriate time to ensure a constant flow to the market while at the same time meeting overall consumer demand. "Many of these processes are also quite unique to Molson, so a cookie-cutter forecasting solution could not serve our purposes."

A Uniquely Flexible Forecasting System

Following an exhaustive search, Molson selected the TimeTrends Forecast Warehouse by Montreal-based ALT-C Systems Inc. "The software did not initially have all the functionality we wanted, but it came the closest to meeting our demanding requirements," said Wolf. The missing functionality, however, was quickly overcome due to the design of TimeTrends. The system was specifically built from the ground up to be a customizable solution that would allow each individual company to create a tailored forecasting and planning process that would fit its particular business requirements. This flexibility enabled Molson to very easily add whatever functionality it required in order to customize the system to fit precisely within its business processes. In addition, TimeTrends was easily integrated into Molson's existing management system through the use of an industry standard Open DataBase Connectivity (ODBC) interface.

The TimeTrends Forecast Warehouse is the main component in ALT-C's TimeTrends Forecasting System which also includes an optional TimeTrends e-Forecasting module as well as an optional Promotions module. Featuring an industry-standard, intuitive GUI, coupled with a high degree of flexibility, TimeTrends enables Wolf and his team to choose the level of control and management of statistical methods and parameters they are most comfortable with—from complete automation to full manual control for the more experienced Molson forecaster. In addition, an unlimited number of hierarchies, each with unlimited levels, enable Wolf to view the data from his preferred perspective, in the units of measure of his choice.

TimeTrends also features a powerful built-in querying capability that enables forecast 'management by exception.' This helps Wolf focus on the forecast items that require immediate attention. If required, TimeTrends is also extendible into areas such as Safety Stock, DRP, Collaborative forecasting and S&OP.

"TimeTrends is quite unique in a number of areas including the way it chooses the data, forecasts the data and keeps it all straight. Each of our products may have a different start point and stop point. TimeTrends keeps track of it all electronically with a very good database of information. This extends not only to the volumes contained in the database, but also where those volumes start and stop, and how to maneuver them to work together," explains Wolf. "For instance, this 'intelligent' and precise system looks at things and builds hierarchies automatically. Its hierarchical approach however is totally untied to the values in the hierarchy. This concept is quite novel and very different from what we were used to. Plus, TimeTrends takes everything into consideration. If we have a product that only sells 18 weeks a year, it'll figure that out automatically and forecast the same 18 weeks in time for every year that we ask it to."

"The other thing is that TimeTrends is a very precise tool when reviewing historical data," Wolf adds. "We had an electronic database that went back 20 years. TimeTrends was able to signal all of the holes in our data which had accumulated over the years and help us correct any mismatches. The TimeTrends database design is very clean and enforces database integrity during its operation. We've never had any database integrity problems with the forecasting software."

Wolf, a long-time professional who has worked with numerous other forecasting engines over the course of his career appreciates the stability of the software. “The bottom-line is that the engine runs, and we never have to touch it. Everything we’ve asked TimeTrends to do, it has done.” Wolf particularly appreciates the ability to easily override anything the system forecasts at any time, and cascading that change up or down as required.

A Customer-Centric Business Philosophy

Wolf concludes, “We’re extremely impressed by ALT-C's superior service and support. Any problems have been small, dealt with quickly and effectively and usually within minutes of our call.”

As a final note, Wolf points out that, “ALT-C is very open and upfront with its customers. We pushed our technical people very hard to understand how the TimeTrends system works and there was never any hesitation from ALT-C to share the programming code with us. That kind of service and customer-centric business philosophy is not only refreshing, it makes working with this software a true pleasure.”

“Cheers to Alt-C.”



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