

Hershey Recovers \$7.4 Million in Inventory Using Intelligent Automation

Business Impact

\$7.4 Million

value of inventory
recovered

> 3 month

payback period

Skyrocket

Employee productivity

Since 1894 generations of families have savored Hershey's chocolate either enjoying a melted Hershey chocolate bar in a s'more or a Hershey's kiss on holidays. As one of world's largest chocolate manufacturers, it's no surprise that \$7 billion of inventory flows through its distribution centers each year. Inevitably some inventory is miscoded, and product is wasted. So, how can Hershey avoid wasting such a tasty product? By automating intelligently.

“I challenge everybody, if you are looking at things to develop, keep an open mind, be creative and use your imagination.”

Martin Rupert

Head of Business Process Automation
The Hershey Company

Challenge

Keeping track of inventory worth \$7 billion is a complex task. As a food product, the inventory requires careful handling, special storage and has a short shelf-life. With a wide range of new products constantly being introduced, it's easy for some products to be coded incorrectly in distribution centers. If this error is not discovered quickly, the product must be sold at distressed prices or even destroyed.

Although one person at Hershey's took initiative to check five different systems to recover some inventory, it took 25% of her time and was not efficient. Hershey's knew it needed a better way to increase cost savings from inventory waste. The solution had to be scalable in order to expand it to all of Hershey's manufacturing facilities. In addition, the company needed to improve the accuracy and speed of data flowing through the process and identify areas for improvement.

Solution

At the recommendation of partner INVOKE, Blue Prism intelligent digital workers were assigned the task of searching inventory lists each day. Each morning before the workday begins, digital workers run a process that captures every mislabeled product and informs the distribution center and supply planning personnel who can quickly and accurately correct inventory. Digital workers perform the more repetitive checks between different applications. They rely on their human colleagues to perform additional investigations and to look for other opportunities of improvement.

The benefits from this process are visible across the business. Newly discovered products are sent to store shelves for immediate sale, so rack space in warehouses has been maximized. Supply chain analysts are made aware of additional inventory and can manage production schedules more efficiently. And, the employee who had been responsible for manually tracking product miscoding is freed to perform complex investigations and find ways to improve the process. Best of all, adding digital workers to Hershey's supply chain process has enabled the company to recover more than \$7 million in inventory.