Nedelya produces and sells cakes and pastries baked without preservatives, hence their production have a limited shelf life – up to 3 days.

Founded in 1993, Nedelya established reputable brand for high quality handmade cakes. The company has more than 30 locations and is currently expanding abroad. Nedelya relies on store managers to determine the future sales and to master the ordering process by having in mind the existing stock and the potential cake sales, which might be of whole cakes or slices served on the retail location.

Due to its rapid expansion, Nedelya experience shortage of experienced managers capable to create accurate planning and sales forecasting. The company reached A4E with following issues:

1. Nedelya wanted to automate the decisions on supply/demand management.
2. Nedelya needed to open new locations fast and easy.

The company needed to create process where the management is not involved in delivery planning while a) reduce the wastage to a minimum while b) not being undersupplied.

The Solution
A tool able to automate the production decisions on a daily basis that takes into account not just the specifics of a particular retail location but also all different variables affecting cake sales.

The Approach
In order to get proper supply/demand decisions automation, we had to get the historical sales data. Detailed data analytics created a few correlation hypothesis, which we tested with a real life data.
By validating those hypotheses, we get aware of the cake sales correlations for every single of the retail locations that enabled A4E to create accurate sales forecasts per any location.

**Technical implementation**

The solution should be fast, easy and hassle free to use. That is why we linked the existing POS system and the ERP system with our software. This way our tool knows what, when and in which quantity a particular product was sold and last but not least – the process is fully automated. More importantly, it gave us an access to historical sales data, which made us capable of utilizing data analytics to understand what affects cake sales and what does not.

The tool is automatically aware of the unsold stock by the end of every working day and does not require additional managers’ work.

We have configured it to provide the next day production orders within the ERP system along with information what and where should be delivered.

**The Outcome**

Time saving solution built within the existing ERP, offering high level of automated decisions accuracy, resulting in:

- 50% higher waste levels in retail location where the manager is deciding the next day supply.
- The retail location where the store manager is deciding on the next day supply are understocked 35% more often.
- The retail locations where supply/demand is managed by an algorithm has no catastrophic events in terms of planning.

**The Benefits**

The entire process of understanding the business specifics of Nedelya took some time. It was good time spent to understand in detail the supply chain and provide undisputable benefits to Nedelya:

- Store managers have a tool with tomorrow’ sales without being undersupplied. Waste levels were reduced by more than 3 times from 7% to 2%, on average.
- A4E’s solution supported revenue increase by reaching a balance between waste and supply levels. The solution provides an insight for the optimal revenue potential of every retail location.
• A4E’s solution cuts the time spent for forecasting and ordering process thus freeing time for store managers for focusing on other processes, such as personnel management, training, and motivation.
• A4E’s solution gave Nedelya’s top management a precision supply/demand planning tool enabling international expansion.
• The solution can work without sales history and after 15 days it can autonomously manage the demand and supply quantities. This makes the expensive store manager unnecessary, which allows rapid expansion, unlimited by human resources.

The Feedback

“A4E helped us to turn the raw data sets into valuable information, which helped us to make the right business decisions. We’d highly recommend their services to any business in need to master the art of the numbers“

Zdravko Mintchev, Nedelya CEO

A4E is an artificial intelligence as-a-service (AI aaS) platform for hosting and deploying proprietary and third party data science models.

From coffee shops, through restaurants to wholesalers, A4E’s vertical-tailored app is a strategic tool in sales forecasting, powered with a customizable reporting. Our on-demand analytical framework is tuned to the business specifics of the client.

Web: a4everyone.com

Address: Incubator building, 2nd floor | Sofia Tech Park | bul. Tsarigradsko shose 111B | Mladost District | Sofia 1784 | Bulgaria

Contact: office@a4everyone.com; +359 (2) 4411 243

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