Introduction company

Explanation assignment

Description data

Analysis

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Introduction company

Heineken International is the largest Dutch brewing company, and does not need an introduction for most people. Heineken is the third largest brewer in the world, with over 180 million hectolitres beer produced per year. Once the British – South African brewing company SABMiller (known in the Netherlands for Grolsch and Bavaria) has been taken over by the world’s largest brewer AB InBev it will be the second largest brewing company.

Since the foundation in 1864, Heineken has grown to produce more than 250 different beers that are served in 192 countries. In addition to of course their own brand, they are known in the Netherlands for Amstel and Brand beer, as well as e.g. Jillz (apple cider) and Desperados (tequila flavoured beer). As a sponsor of the UEFA Champions League and organiser of the Holland Heineken House during the Olympic Games they have gained a lot of international publicity.

Heineken employs approximately 76.000 people internationally, owning more than 160 breweries in more than 70 countries. With the emergence of data analytics Heineken would like to know how they could improve different aspects of their supply chain. One of these aspects will be discussed in this paper.

Explanation assignment

Heineken has a lot of customers all over the world, and every customer is different. Their brands are served in many different types of restaurants, pubs and clubs, and their products are also available in supermarkets. Because these supply chains differ a lot from each other, they are part of different branches of the company.

Since the demand of supermarkets is quite consistent and therefore relatively easy to predict, the other branch is much more interesting in terms of data analysis. The consumption depends on how many customers visited the restaurant, pub or club, and not everybody drinks the same amount of beverages. During weekends and on holidays it is a lot busier, which influences the size of the order Heineken receives. To optimize the supply chain it is important for Heineken to be able to predict how much they should have in stock in order to supply each of their customers on time.

**Events**

Apart from the regular orders, customers can place additional orders for events they organise. As the organiser of an event you want to make sure that you order enough, so you will not be out of stock during the event and miss out on possible revenue. Therefore, in the case of an event the customer arranges with Heineken thatproducts that are not consumed can bereturned. If the amount of returned products is smaller than 15 per cent of the original order there will be no additional costs for the customer. However, when the amount of returned products is larger than 15 per cent, the customer has to pay for each extra product that he/she sends back to Heineken.

When products are returned there will also be costs for Heineken. Everything has to be collected, shipped back to thedistribution centre, sorted and put back in the warehouse. Therefore Heineken also benefits from having as few products as possible returned.

Currently the organisers determine the amount of products they order based on consumption during previous events, and if there are no previous events they have to guess how much they need for their event. They are assisted by one of Heineken’s account managers, who have a lot of experience with similar events, but the decisions are not data-driven.