**From:** Brian Berenbaum

**Sent:** Tuesday, May 3, 2016 11:10 AM

**To:** Chris Roy

**Subject:** Re: FW: FW: Incoming Consulting Project

Hi Chris,

I’ve reviewed the document you passed along and pulled the relevant information (please see below). Please let me know if you need anything else!

Average transaction size: $30

Average margin rate: 50%

Average return on advertising spend is a bit more complicated. We think our advertising has diminishing marginal returns, along the lines of the breakdown below. Note that we currently spend $50MM in advertising, so one more dollar invested would net us $1.10 in margin.

-First $15MM: +200% ROI

-$15-30MM: +100% ROI

-$30-45MM: +50% ROI

-$45-60MM: +10% ROI

-$60-75MM: +2% ROI

We used to have a higher budget, but it got slashed after we lost millions of dollars sponsoring the NBC game show “Gold Case”.

Thanks,

**Brian Berenbaum**

Analyst, Analytics

FreshFoods Grocery, Inc.

**From:** Chris Roy

**Sent:** Tuesday, May 3, 2016 10:35 AM

**To:** Brian Berenbaum

**Subject:** FW: FW: Incoming Consulting Project

Brian –

Pull the answers to the attached and send back ASAP so I can take credit.

Thanks,

**Chris Roy**

Director, Analytics

FreshFoods Grocery, Inc.

**From:** Chris Roy

**Sent:** Tuesday, May 3, 2016 10:35 AM

**To:** Andrew Kaiden; Operations; Analytics

**Subject:** RE: FW: Incoming Consulting Project

Andy –

I’ll pull this information and get back to you by 12pm.

Thanks,

**Chris Roy**

Director, Anayltics

FreshFoods Grocery, Inc.

**From:** Andrew Kaiden

**Sent:** Tuesday, May 3, 2016 10:15 AM

**To:** Analytics; Operations

**CC:** Chris Roy

**Subject:** Incoming Consulting Project

All –

I wanted to make you all aware that starting tomorrow we will have a team of consultants coming in to help us optimize our current labor and operations strategy. As most of you are aware, we have had a tough first quarter and are in search of ways to improve our strategy. Given that we’ve had roughly the same strategy for labor and open hours across the entire network for some time now, we’re looking forward to hearing their suggestions for how we can hopefully increase profit by better targeting our strategy. Don’t worry – this is not about eliminating costs. We’ve specified that should they recommend we cut costs on labor or utilities, the money saved be reinvested in the business through advertising. They also may increase spending on advertising, but those extra funds would have to come from labor or utilities.

They will be in house as of tomorrow so please work with them to ensure they have the information needed to complete the project. In preparation for the project, they’ve requested some information. Brady, please send me answers to the questions in the attached document by early afternoon.

--Andy

**Andrew Kaiden**

VP of Operations

FreshFoods Grocery, Inc.

Sent from my iPhone