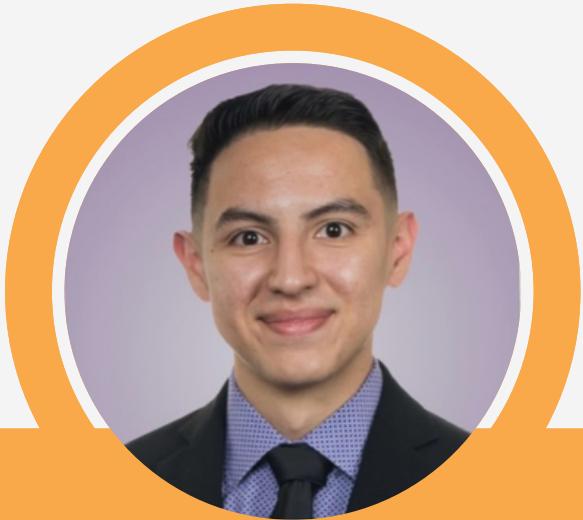


THE FRESH CONNECTION



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MEET OUR TEAM



David Villareal
Vice President of
Purchasing



Liam Broughton
Vice President of
Sales



Anna Do
Vice President of
Operations



Catherine Begun
Vice President of
Supply Chain



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TABLE OF CONTENTS

- Executive Summary
- KPI's
- Snapshot of Every Division
- Conclusion
- Next Steps



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EXECUTIVE SUMMARY

Our Strategy

Increase our ROI to benefit the general disposition of all shareholders through maximizing current operations

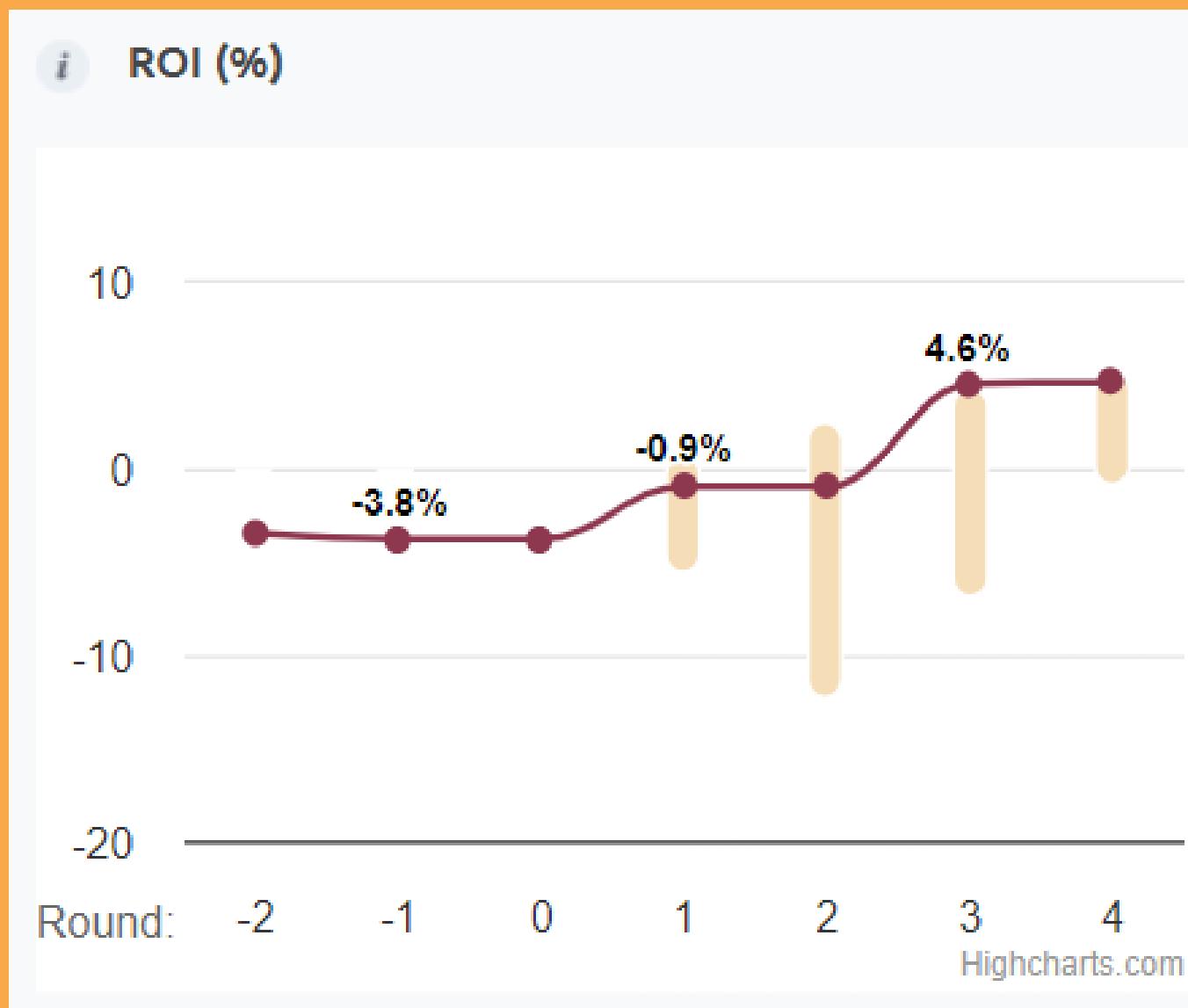
Maximize Revenue

Minimize costs

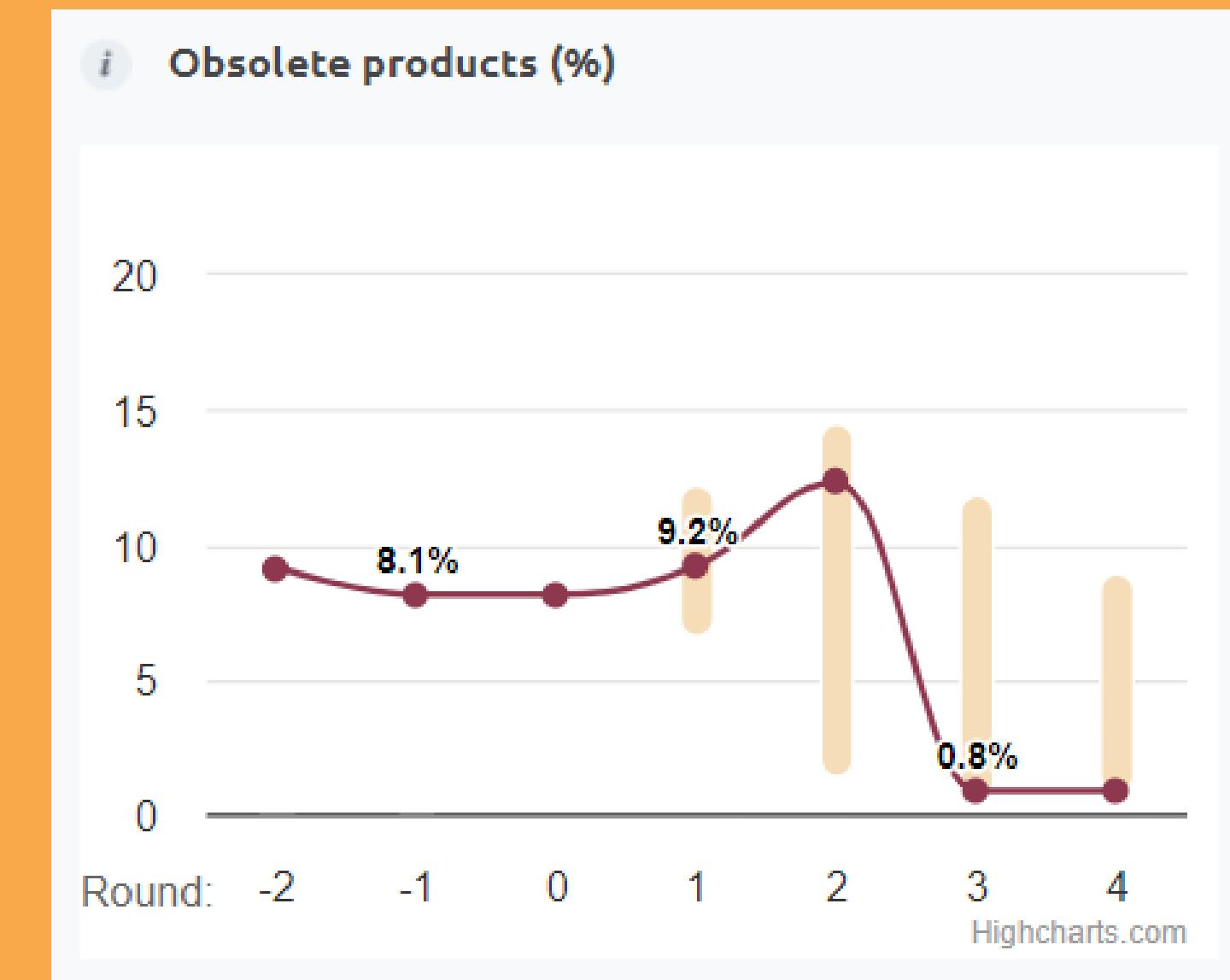
Decrease obsolescence



KEY KPI'S



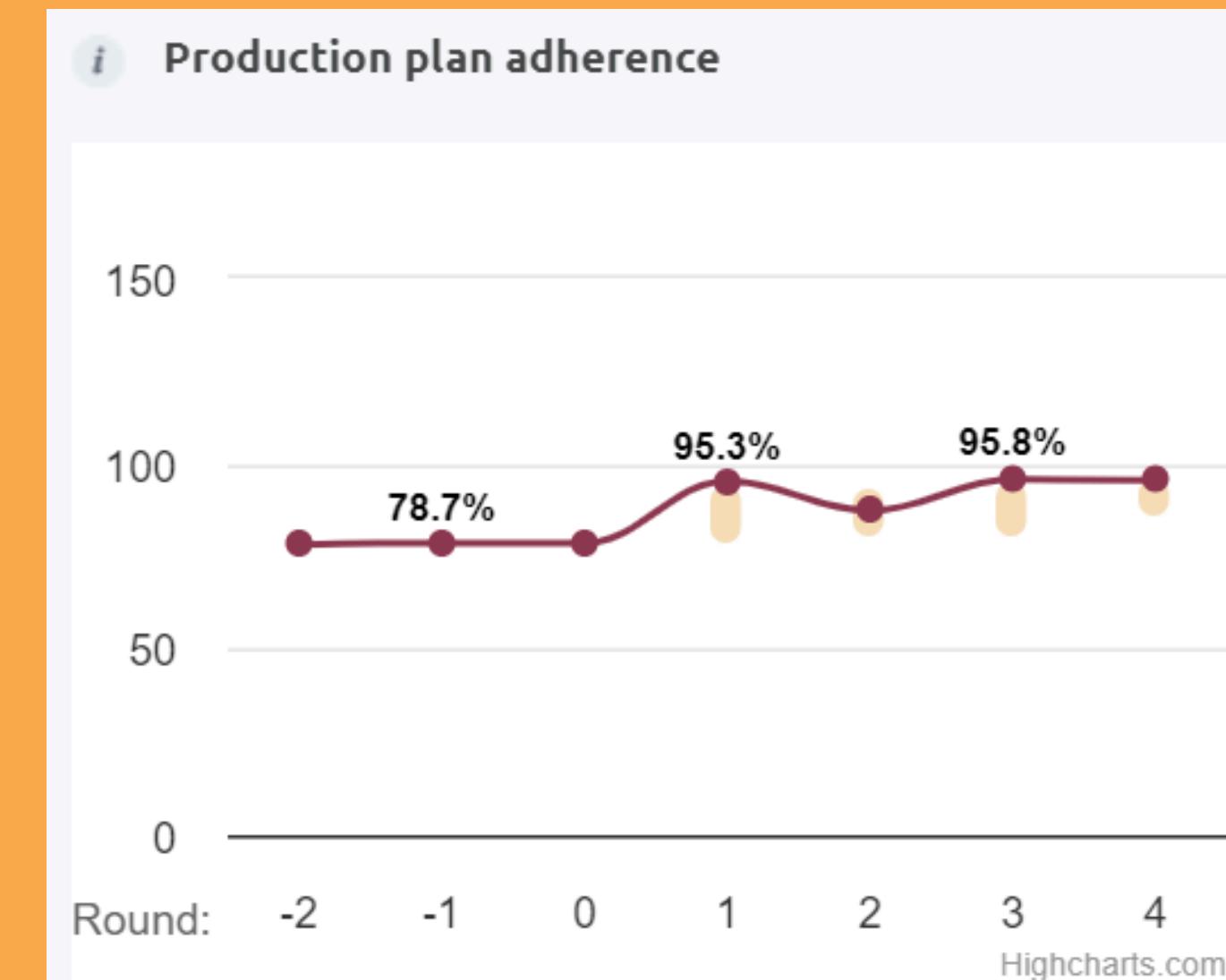
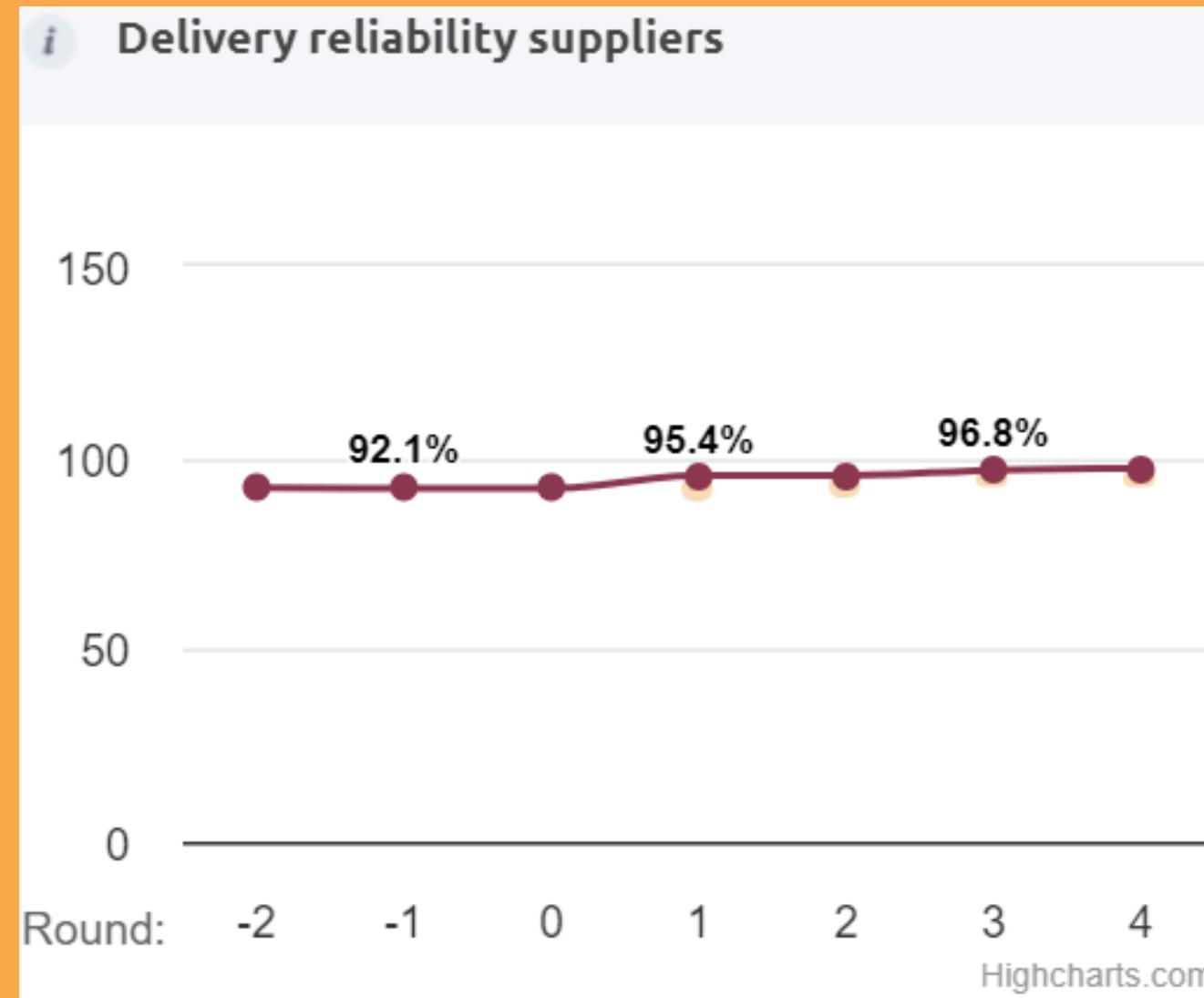
ROI



Obsolete Products



KEY KPI'S



Delivery Reliability

Production Plan Adherence



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PURCHASING OVERVIEW



Delivery Reliability



Optimizing Contracts



Mitigating Stockouts

Optimizing contracts with suppliers to maintain optimal delivery reliability percentages while keeping costs at a minimum

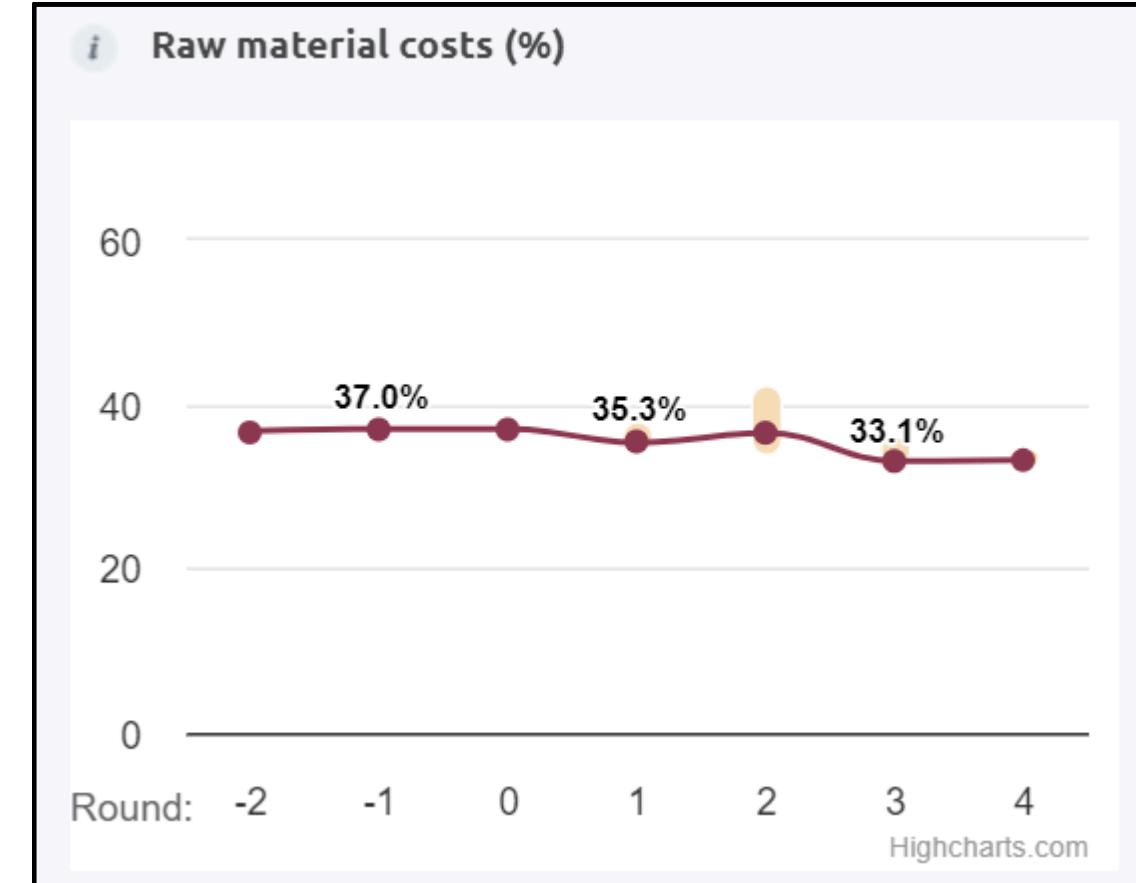
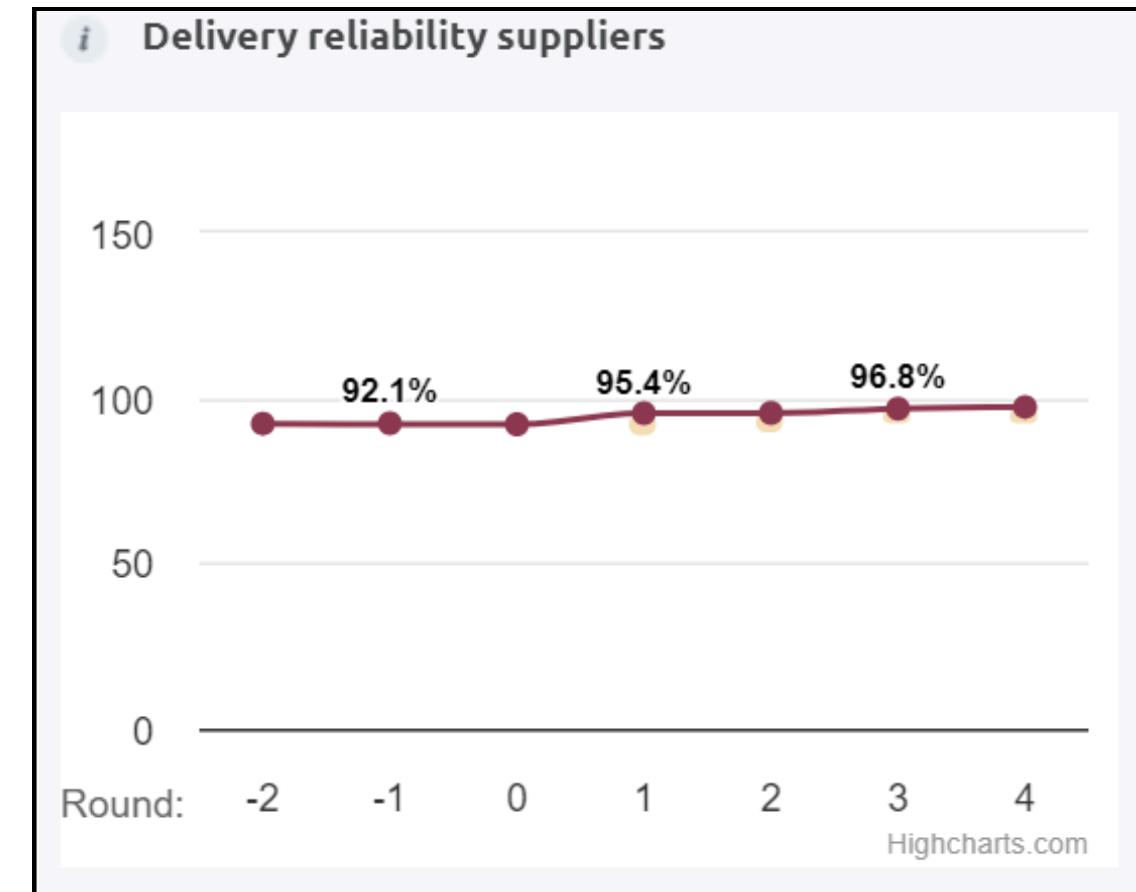


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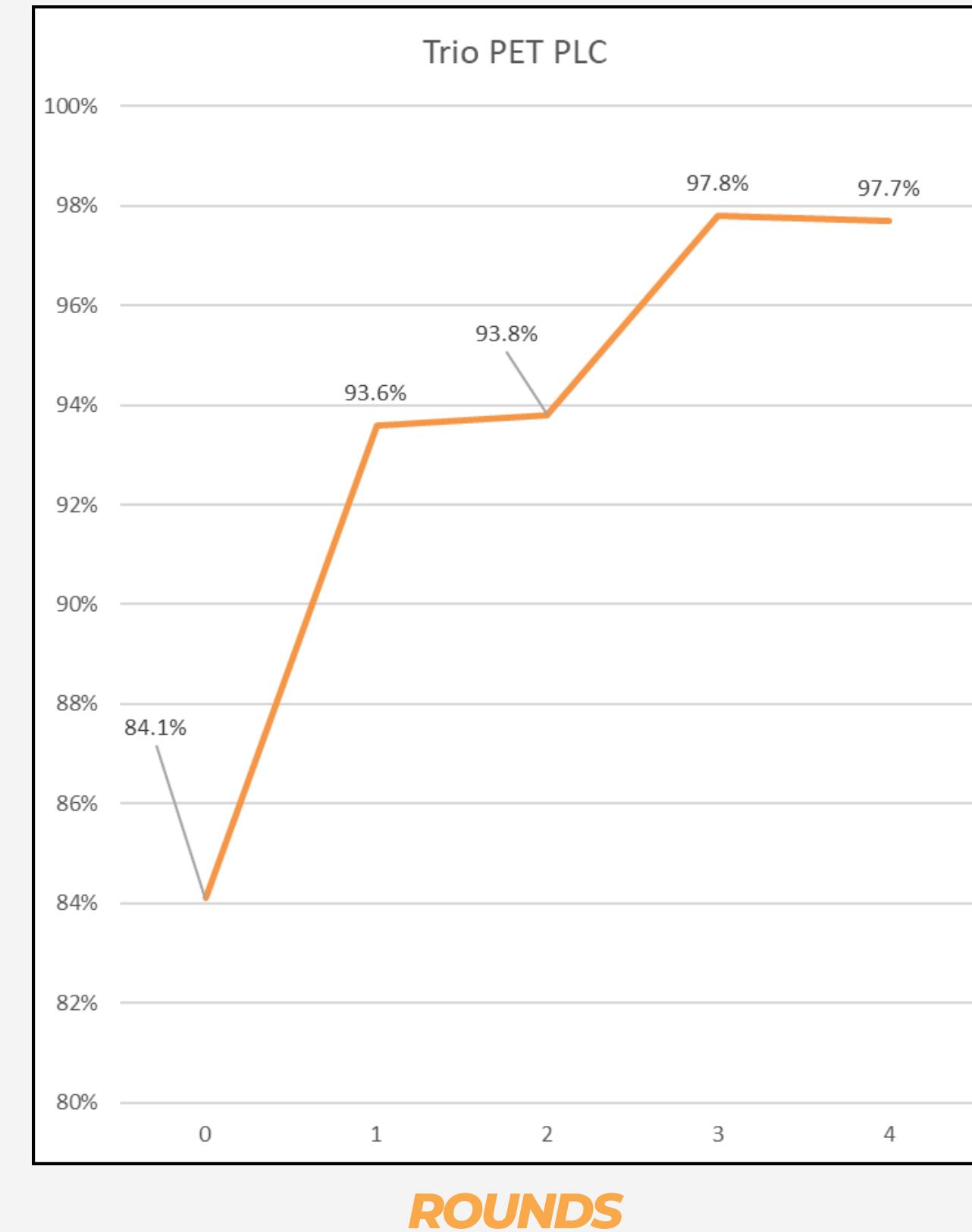
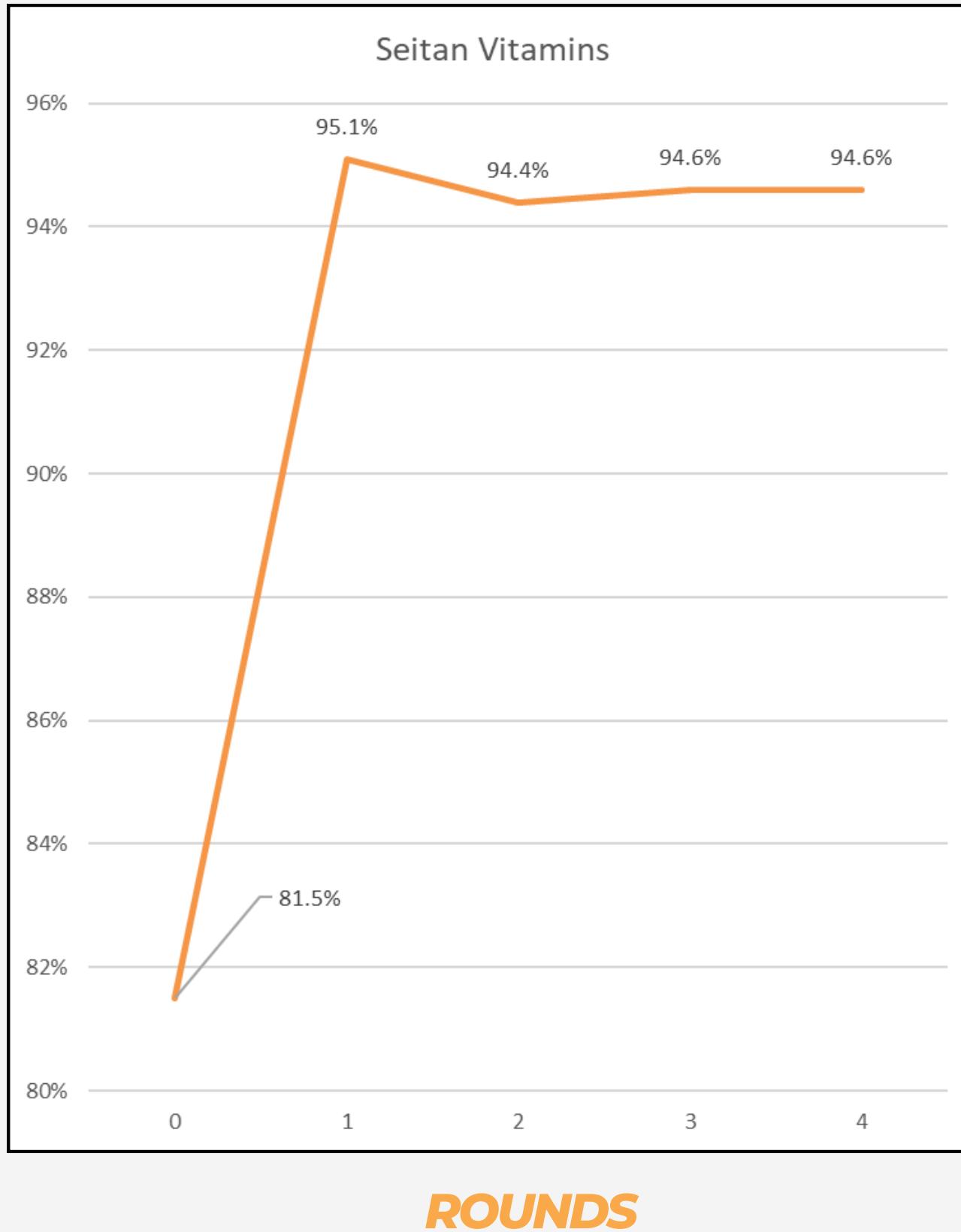
VP PURCHASING

- **Goal:** decrease contract purchase values without compromising delivery reliability.
- **Round 0:** Seitan Vitamins and Trio Pet PLC presented the lowest delivery reliability percentages.
- **Round 1:** Increased agreed deliverability for both Trio Pet PLC and Seitan Vitamins.
- **Round 2:** Adjusted trade units for Mono Packing Materials and Trio Pet PLC to FTL.
- **Round 3:** Further increased delivery reliability for Trio PET PLC to alleviate low raw material availability to combat stockouts and optimize delivery windows.
- **Round 4:** Further Increased delivery reliability for Mono Packing Materials to increase delivery reliability

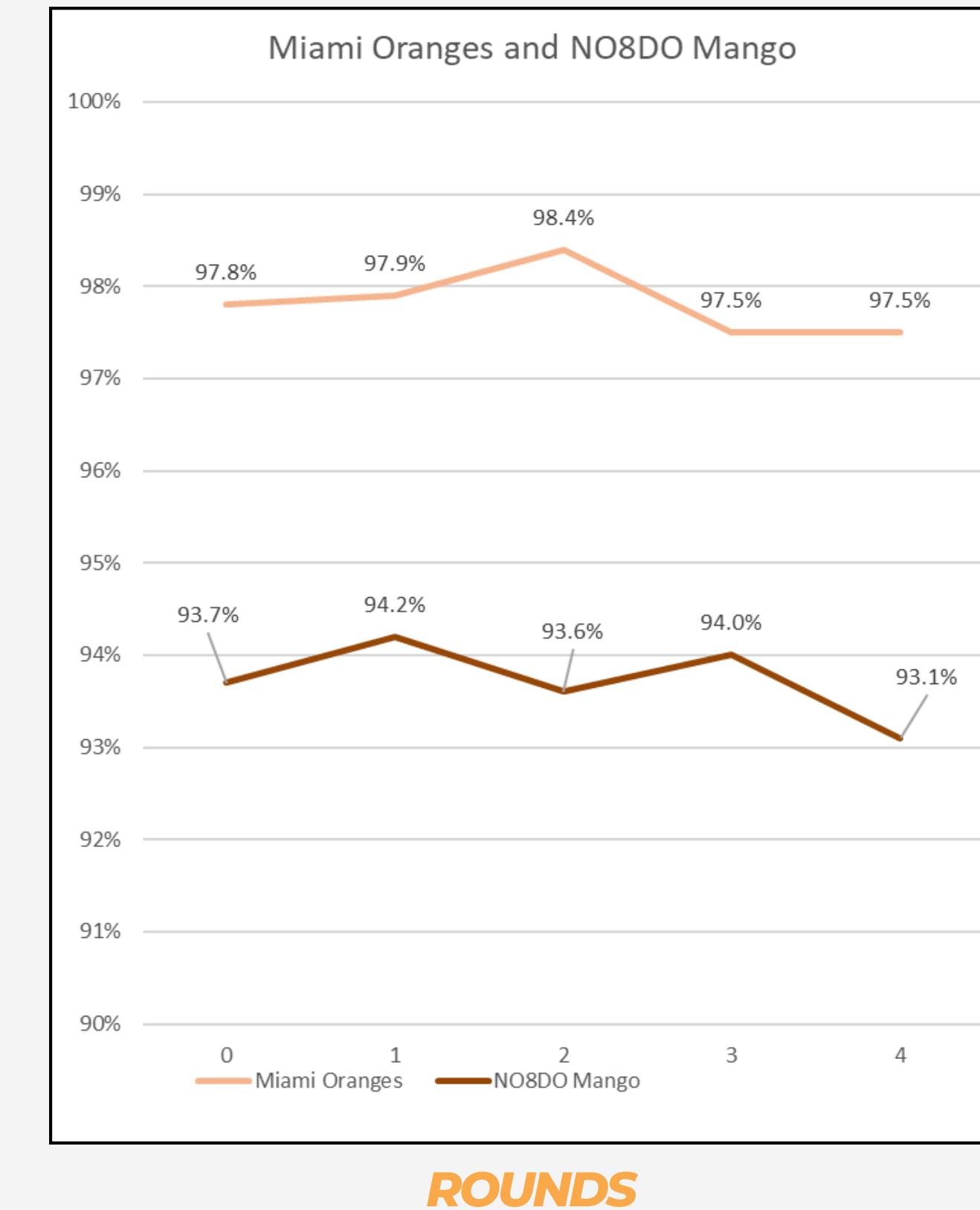
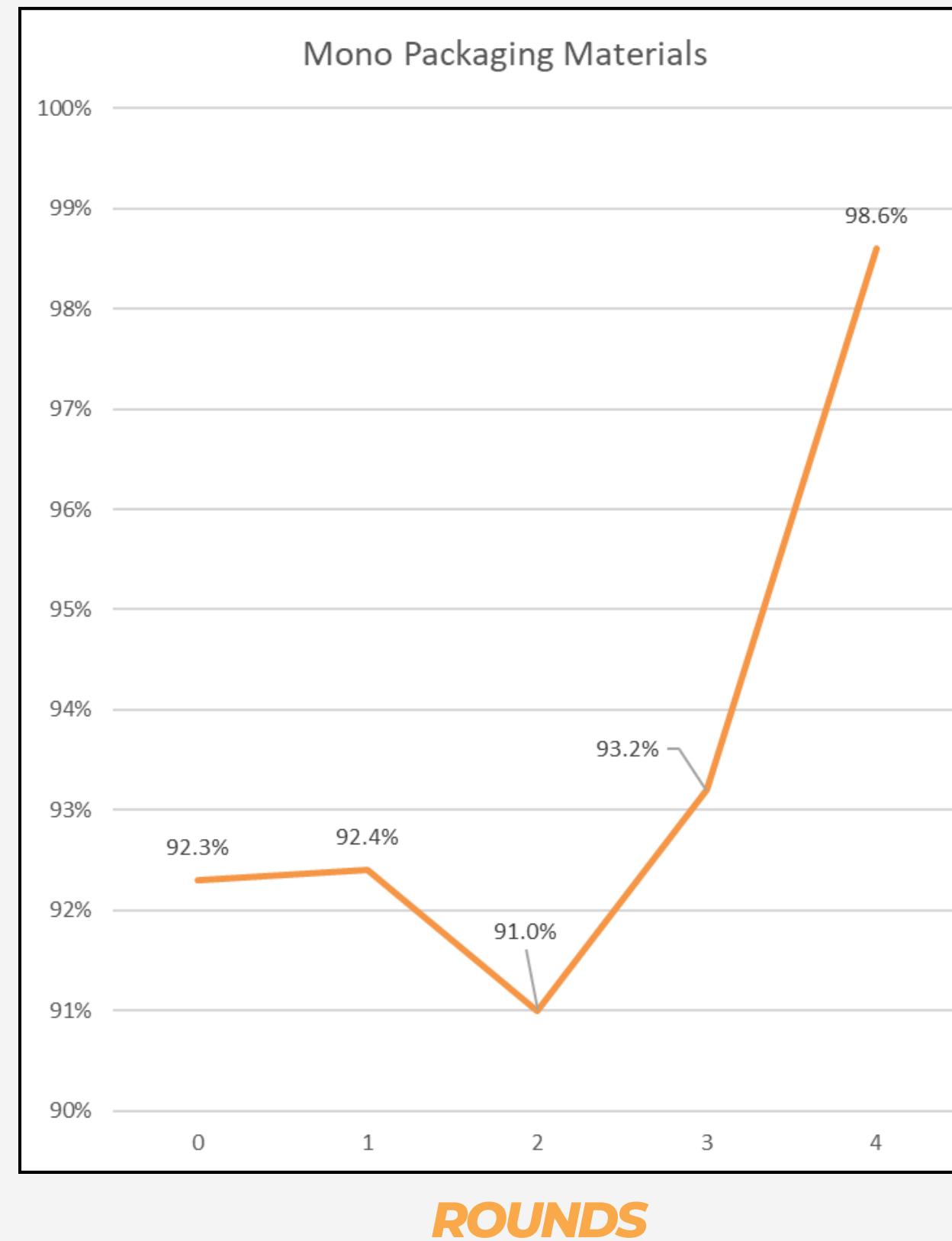
KEY KPI'S:



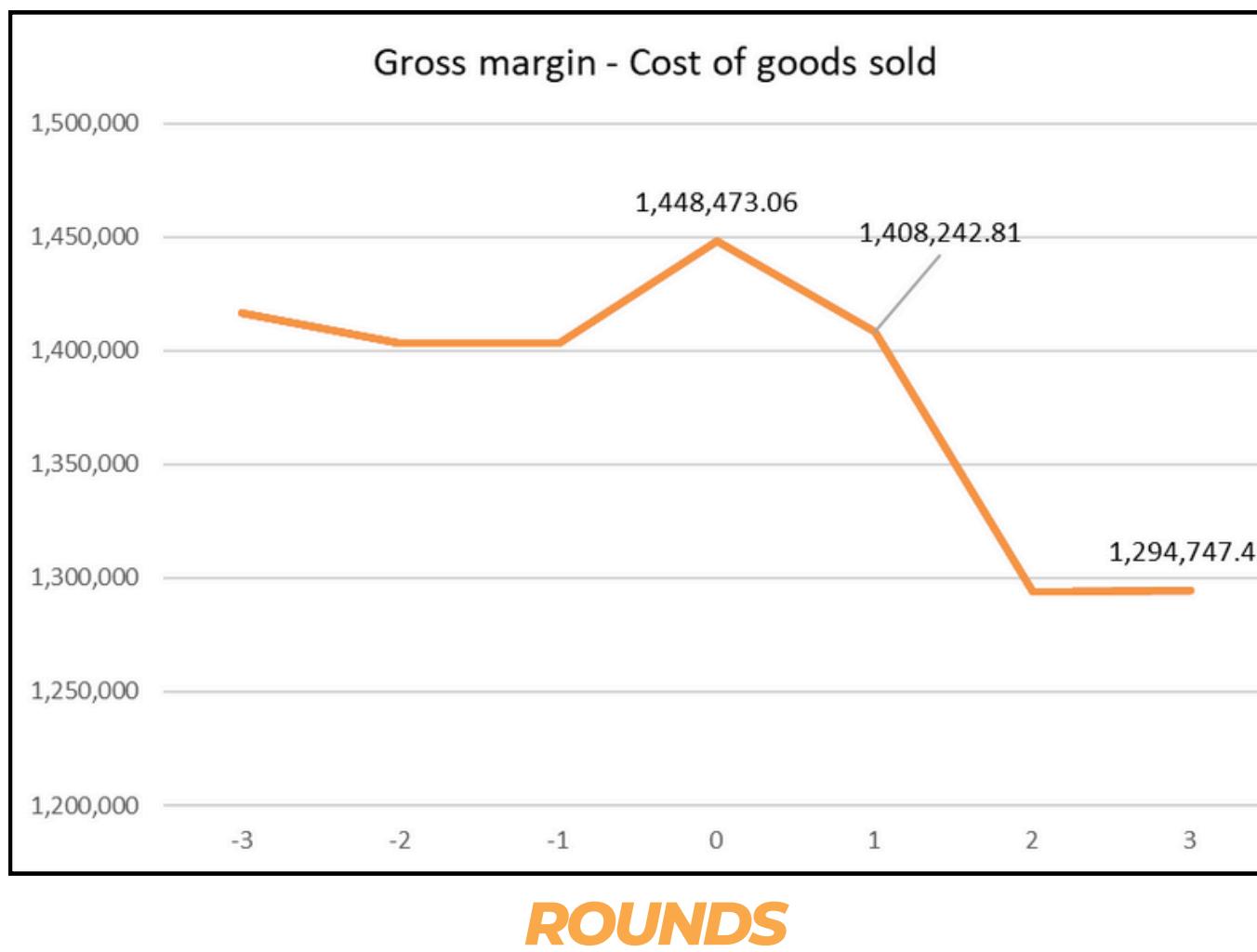
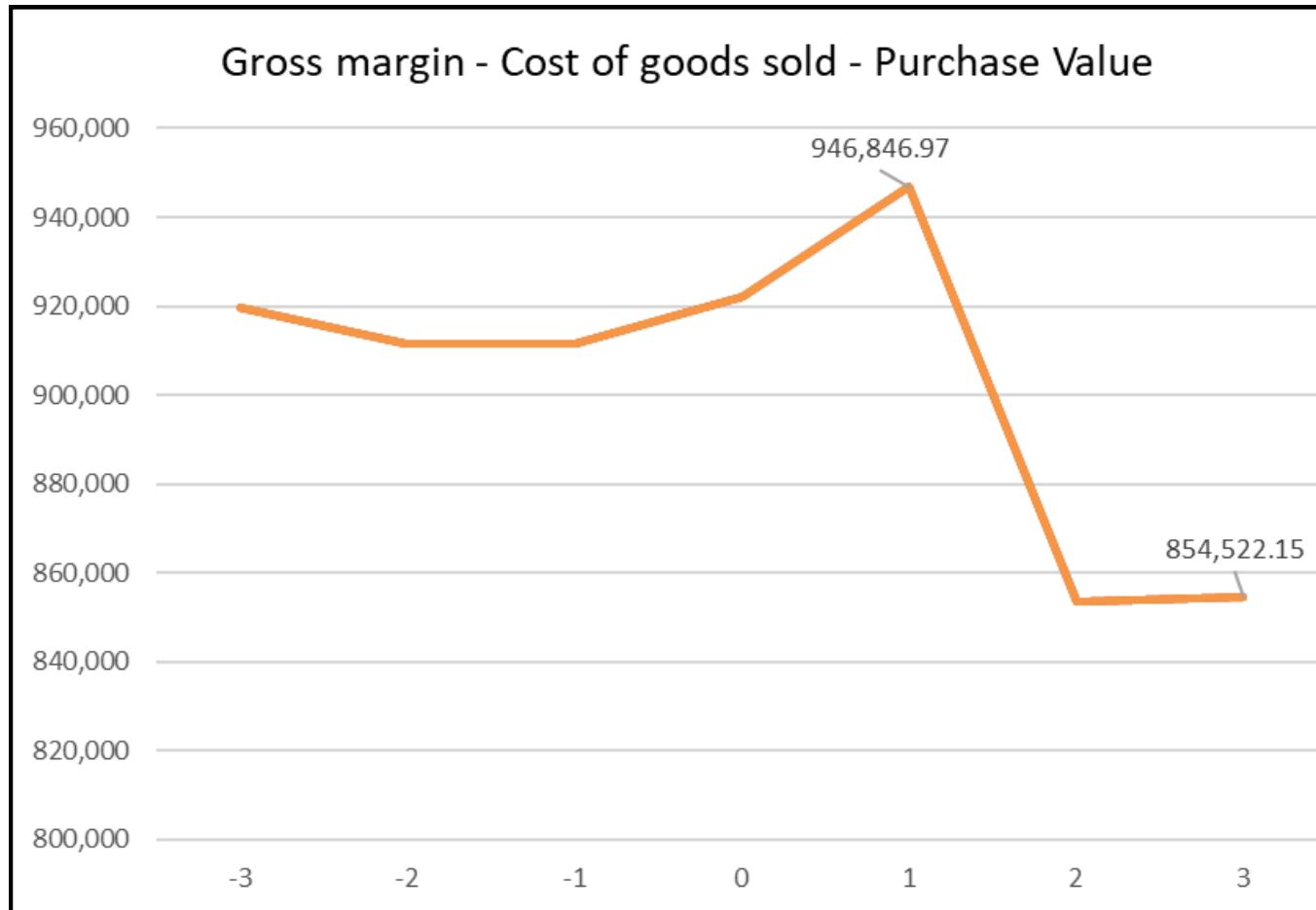
ACTUAL DELIVERY RELIABILITY %



ACTUAL DELIVERY RELIABILITY %



VP PURCHASING



Lessons learned:

- **Maintain delivery reliability is vital to the success of other group mates roles, specifically when it comes raw material availability and preventing stock outs.**
- **Communication with VP of Supply Chain is key to ensuring the correct trade units are selected to optimize cost efficiency**

Next Steps:

- **Combat rising rejection rates and maximize the value of each contract.**

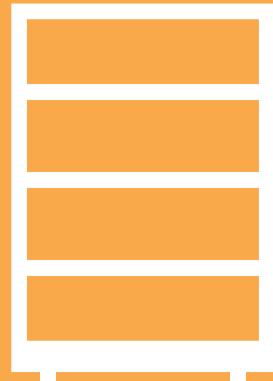


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SALES OVERVIEW



Contracted Revenue



Shelf Life



Order Deadline



Service Level

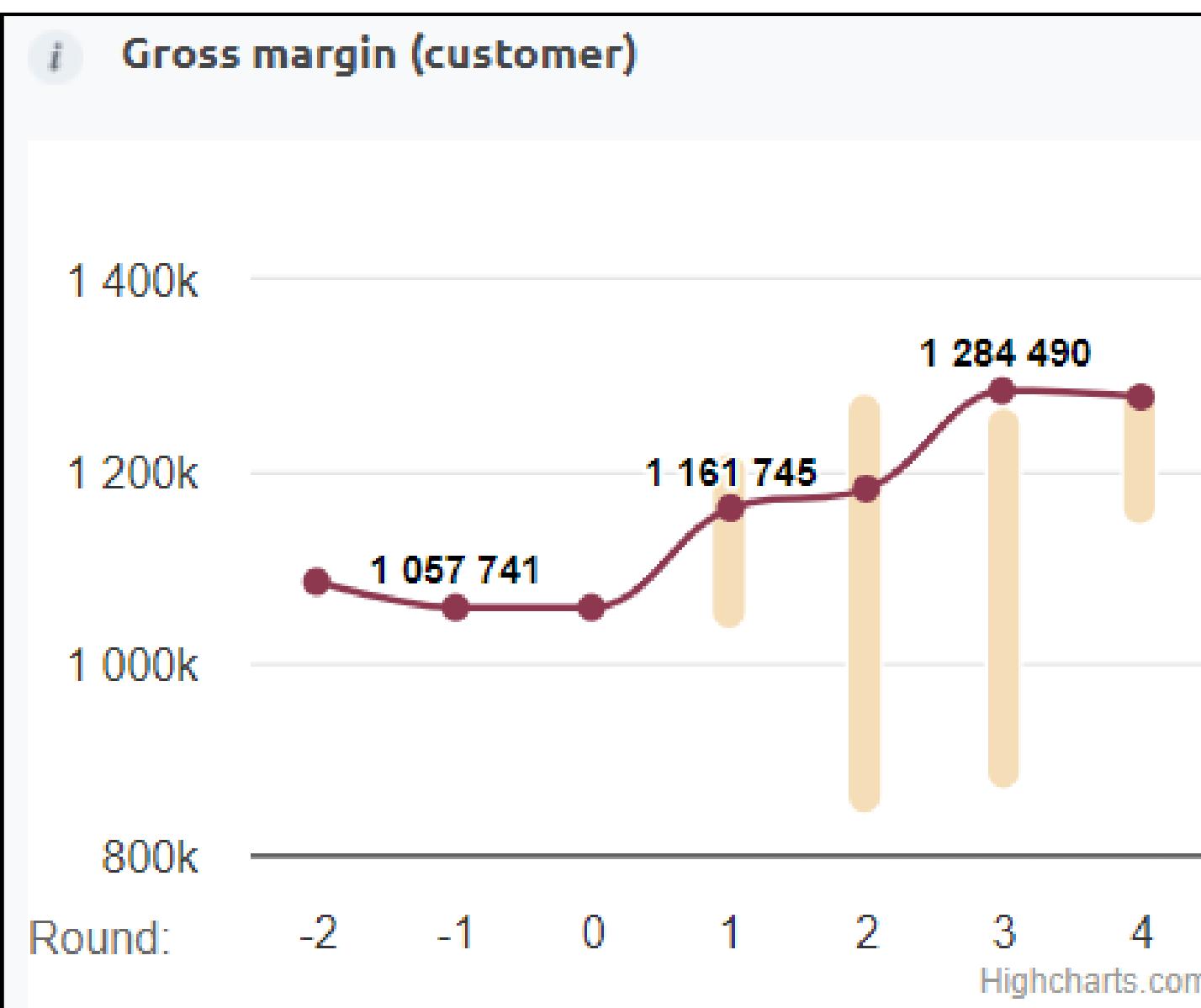
Optimizing contracted revenue from each customer through negotiating service level, order deadline, and customer shelf life



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VP SALES

KEY KPIS:



Goal: increase contracted revenue and limit penalties

- Round 0: Stable contracted revenue with customers and very high contract penalties
- Round 1: Shifted to Customer Priority model to ensures Food and Groceries (highest customer contract) is always fulfilled
- Round 2-3: Negotiated Contracts each round to bring in more revenue and attempt to decrease penalties
- Round 4: Only Renegotiated LAND Market contract
- Next Step: Increase contracted sales through VMI implementation for expanded promotion horizon (coupons)

Contracted Sales Revenue: 2,628,963 to 2,625,267

Decreased Penalties: 168,115 to 52,673



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KEY KPI'S:

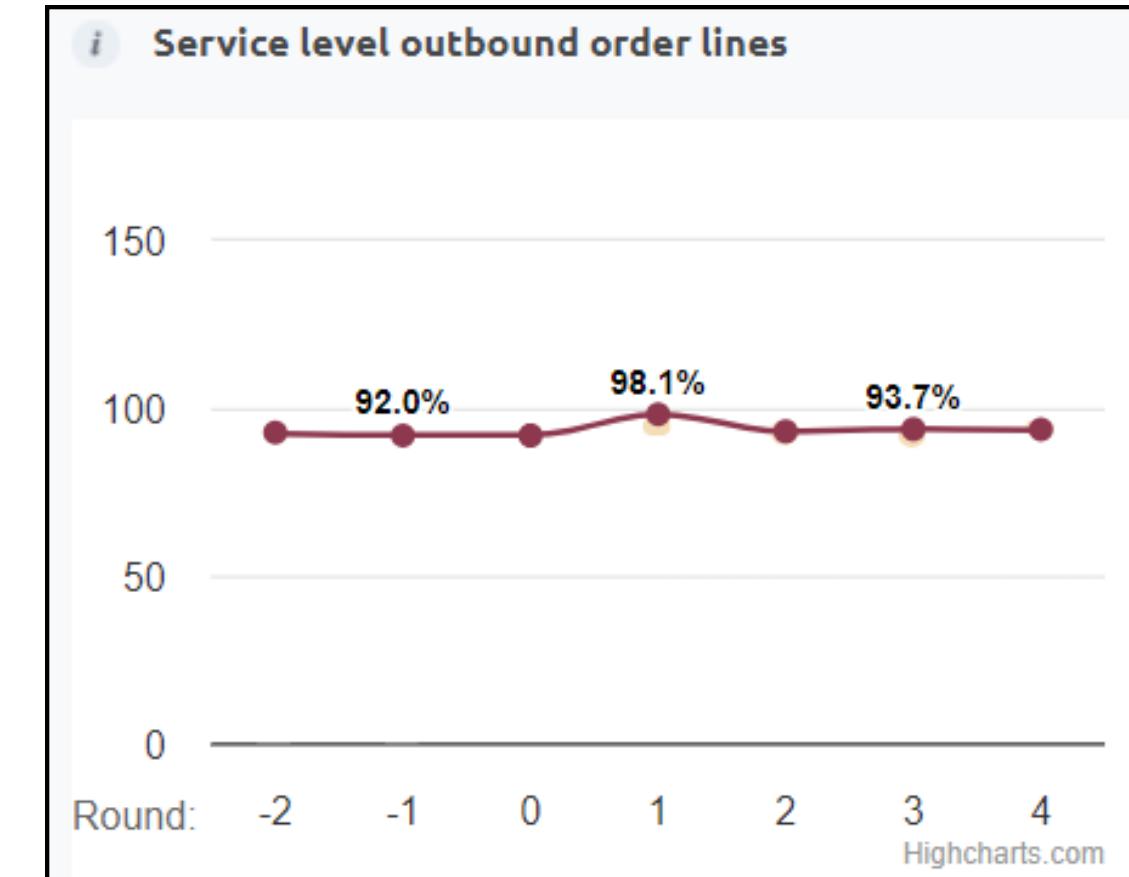
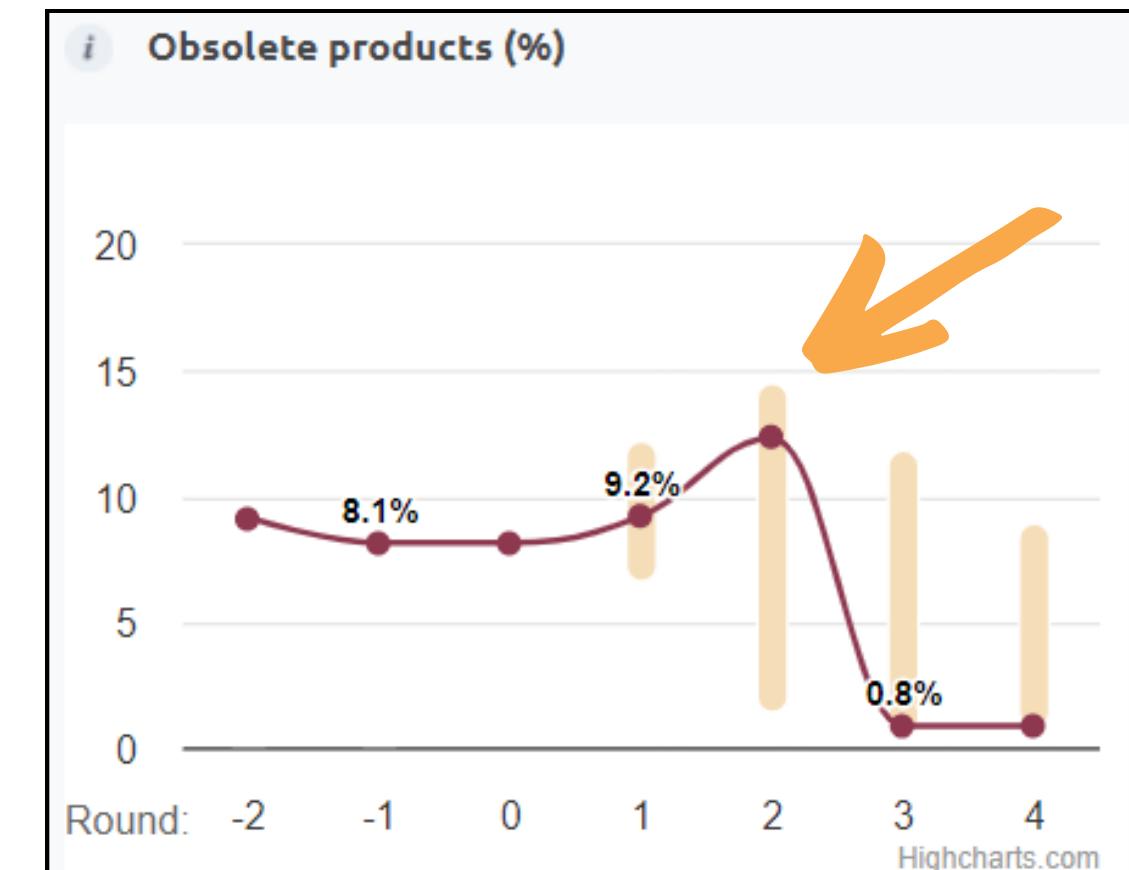
VP SALES

Goal: Decrease Obsolescence and Maintain High Service Level Outbound Order Lines

- Round 0: High Obsolescence and Stable Service Level Outbound Order Lines (SLOOL)
- Round 1: Increased Obsolescence and SLOOL
- Round 2: Increased shelf life to 80%, direct impact to obsolescence
- Round 3: Decreased shelf life back to 75% & worked alongside VP of Supply Chain to control amount of obsolete products
- Round 4: Kept decisions same as previous round
- Next Step: Work with VP of Supply Chain to integrate new frozen period for shelf life and renegotiate Dominick's Service Level

Obsolete Products: 8.1% to 0.8%

Service level outbound orderlines: 92.0% to 93.5%



Increase ROI

- Reduce warehousing costs
- Reduce labor costs
- Increase production plan adherence

OPERATIONS STRATEGY

Optimize cube utilization



OPERATIONS

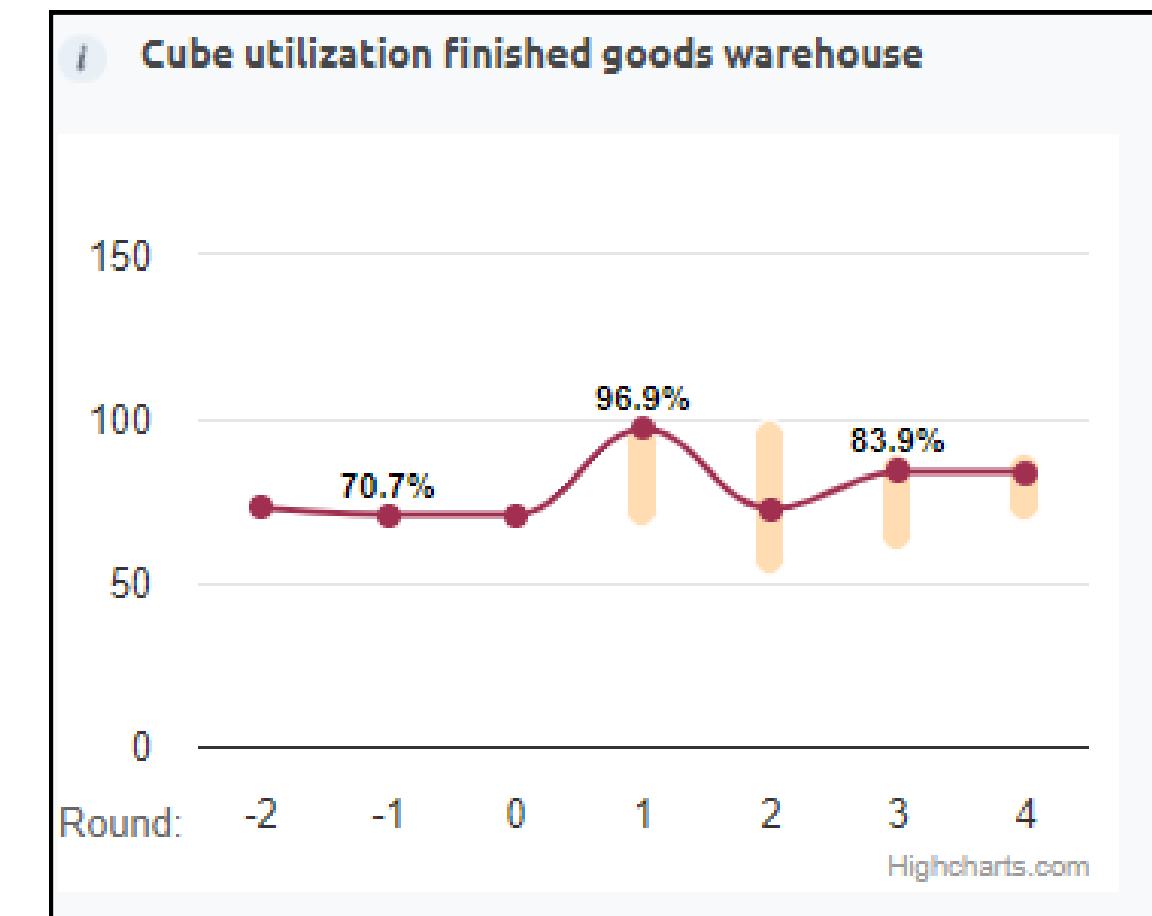
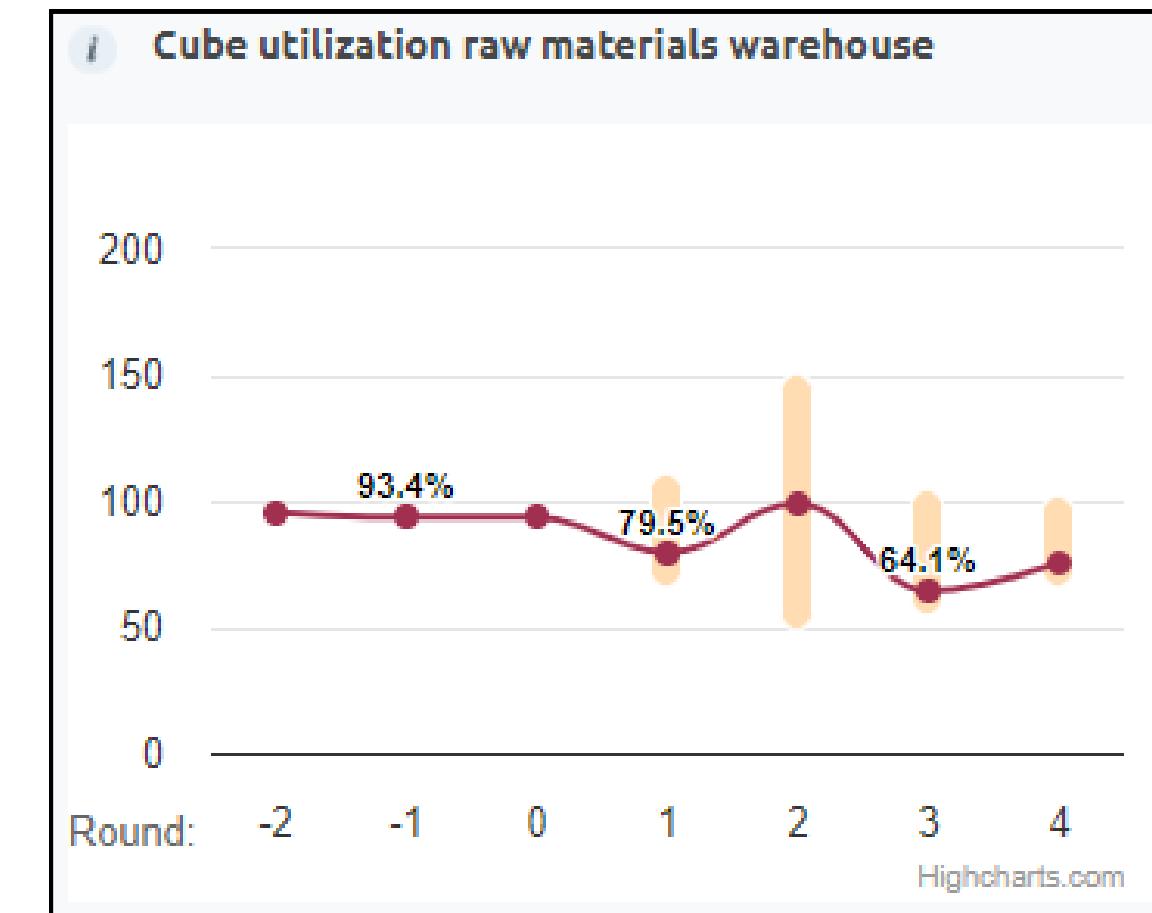
Goal: optimize capacity + reduce warehousing costs

- **Round 0:** Relatively full raw materials warehouse while finished goods warehouse were quite empty.
- **Round 1:** Decreased both inbound and outbound capacity, resulting in 79.5% and 96.9% cube utilization.
- **Round 2 - 4:** Consulted with VP Supply Chain to align warehouse adjustments with her proposed changes in safety stock.
- Observed results from last round to change for current round.

Raw materials warehousing costs: 232,176 to 189,784

Finished goods warehousing costs: 234,331 to 177,987

KEY KPI'S:



OPERATIONS

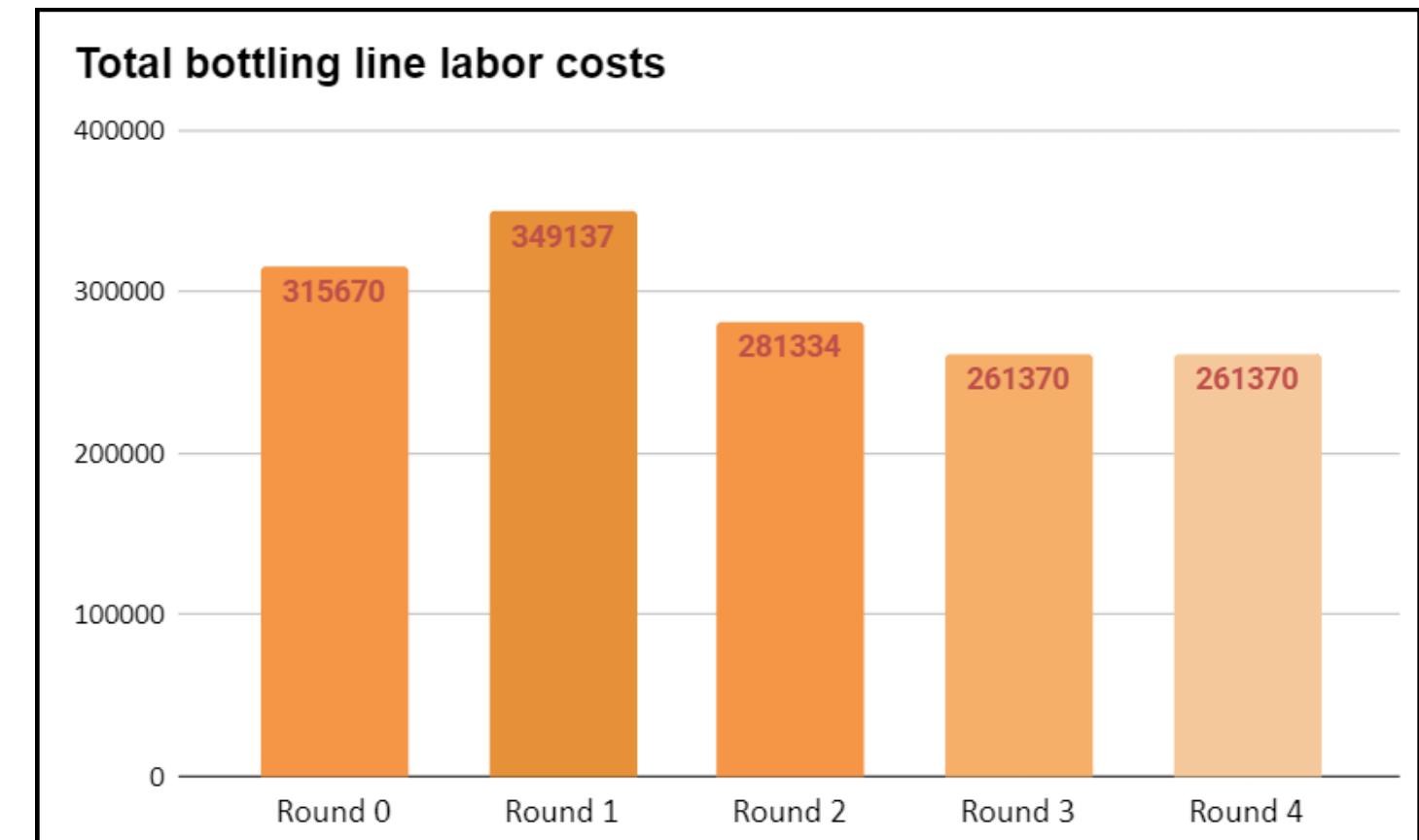
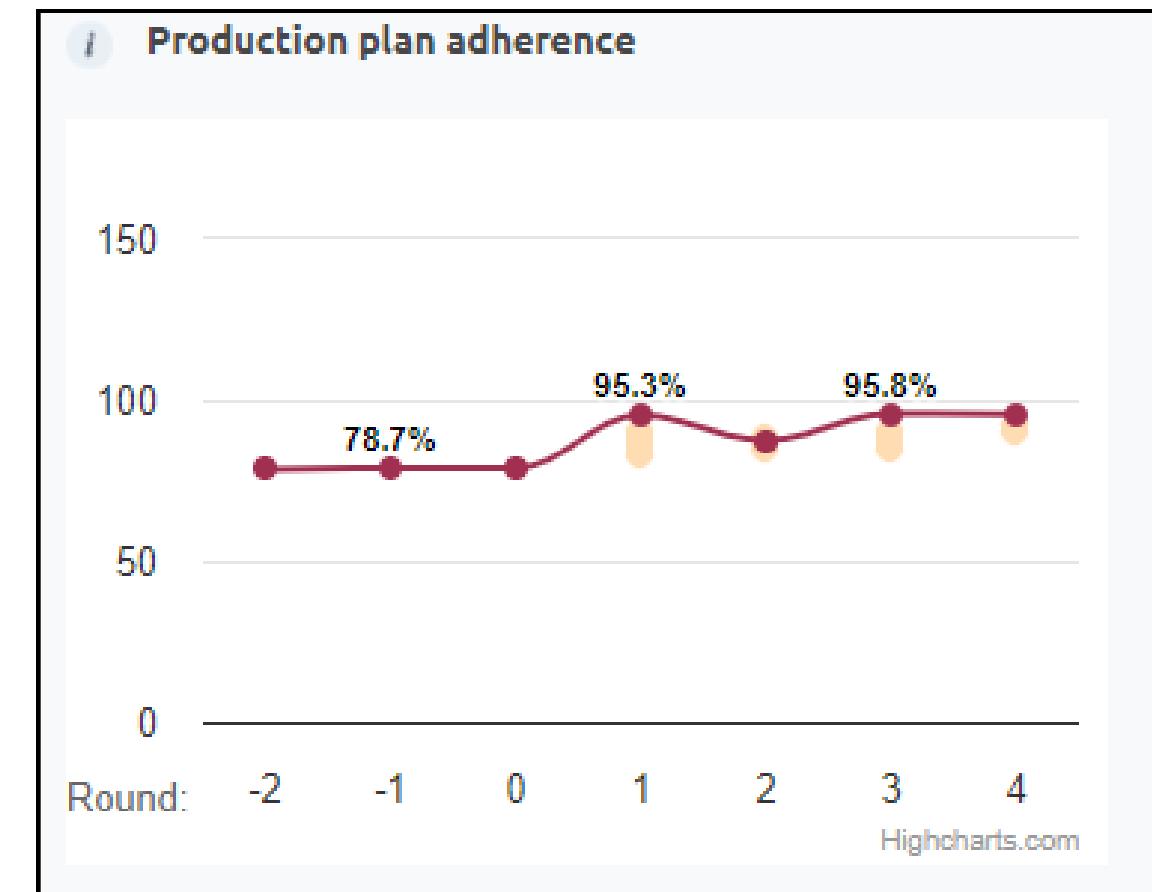
**Goal: Reduce labor costs in bottling line
+ Increase production plan adherence**

- **Round 0:** Low production plan adherence at 78.7%.
- **Round 1:** Increased # of bottling shifts from 2 to 3 -->

Production plan adherence increased to 95.3%. However,
unused capacity was 27.9%. Cost increased by 100k.
- **Round 2:** Decreased # of shifts back to 2 to reduce unused
capacity and save 100k in costs, but implemented SMED and
increase speed action which cost 50k.
- **Round 3 and 4:** No changes made.

Next Steps: raw materials inspection, mixer selection and allocation, breakdowns training and preventive maintenance.

KEY KPI'S:



SUPPLY CHAIN OVERVIEW

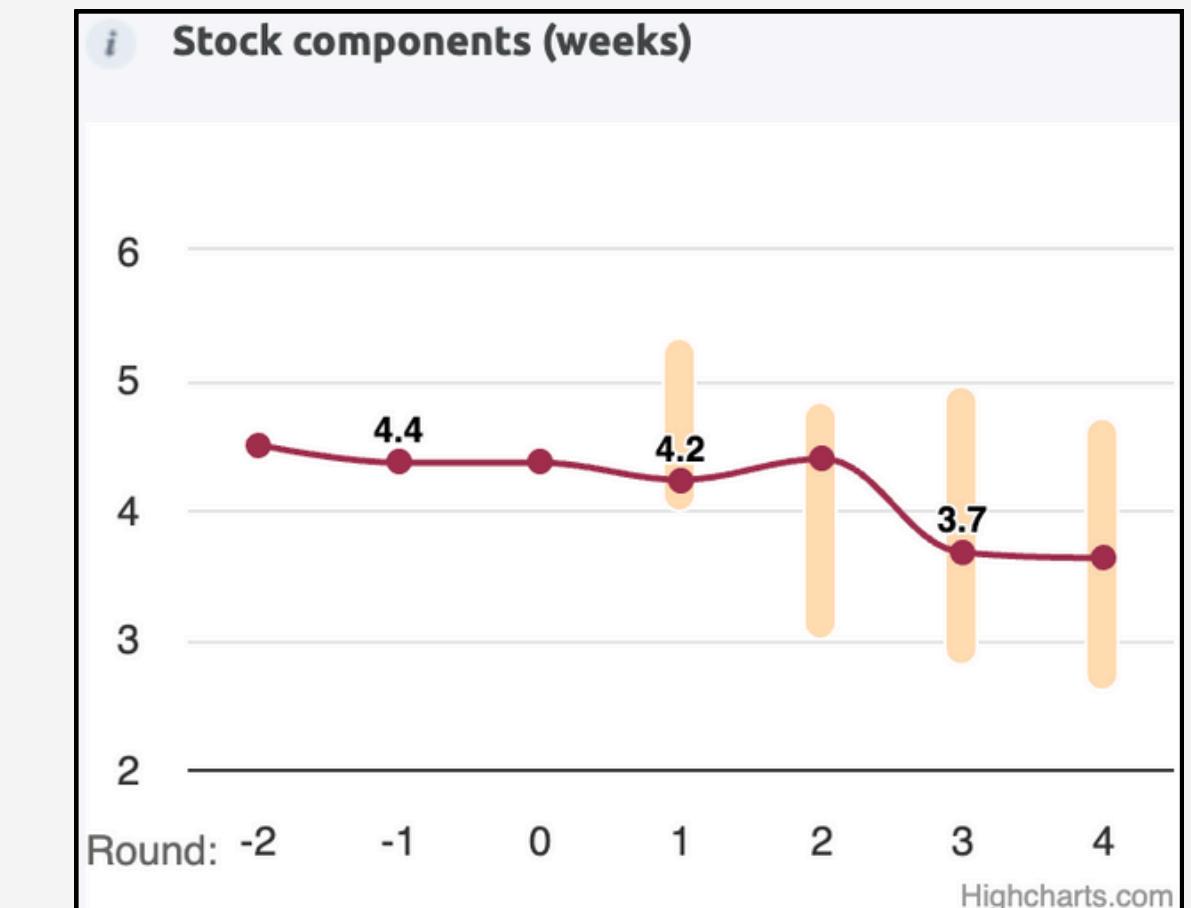
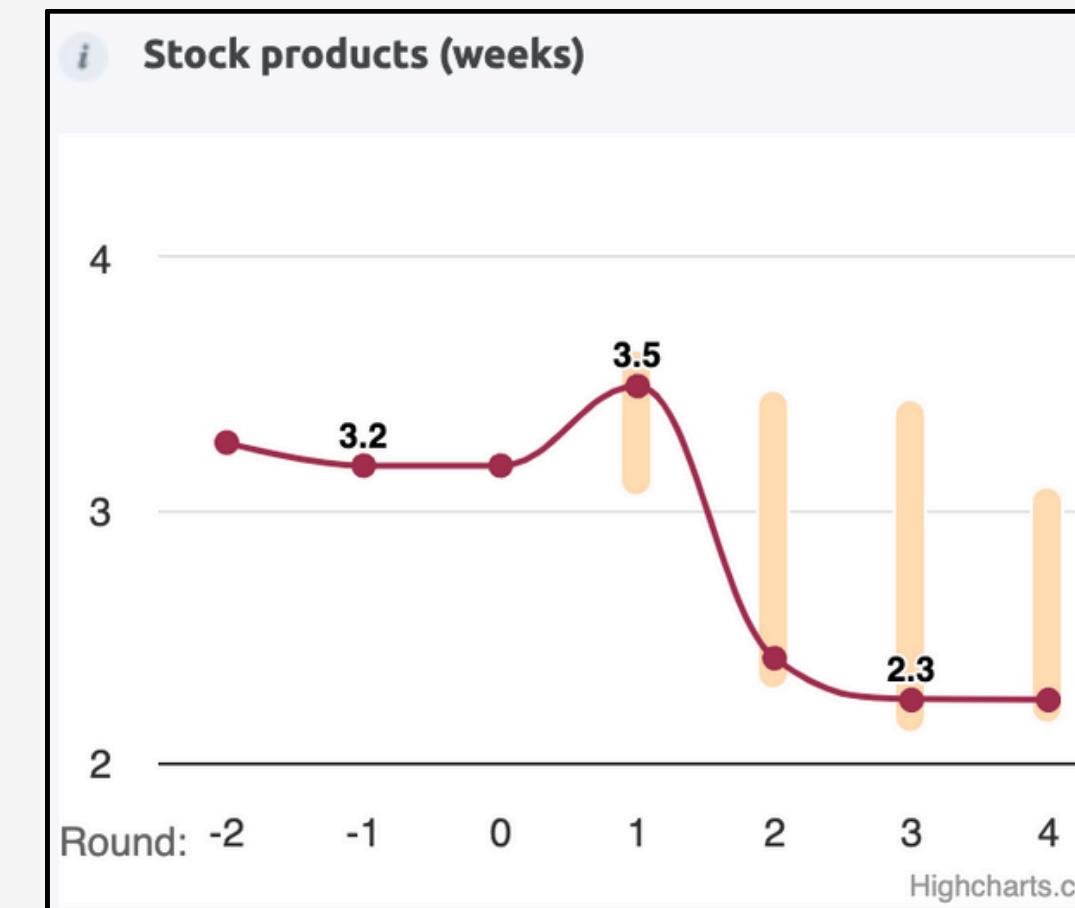
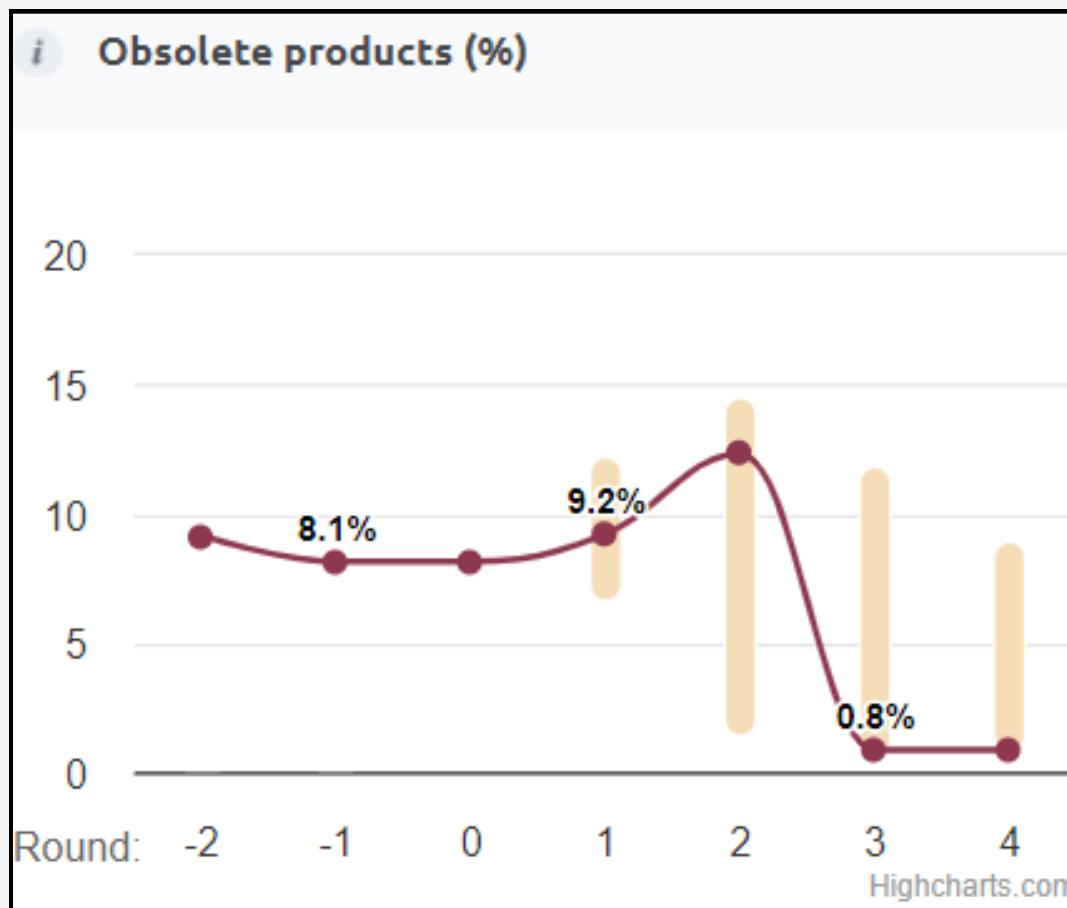


Safety Stock



Obsolescence

KEY KPI'S:





SUPPLY CHAIN OVERVIEW

Round Summaries:

Round 1

- Too much stock
- Safety stock adjustments
- More obsolescence

Round 2

- Reduce obsolescence
- Lower all safety stock
- Large increase in obsolescence

Round 3

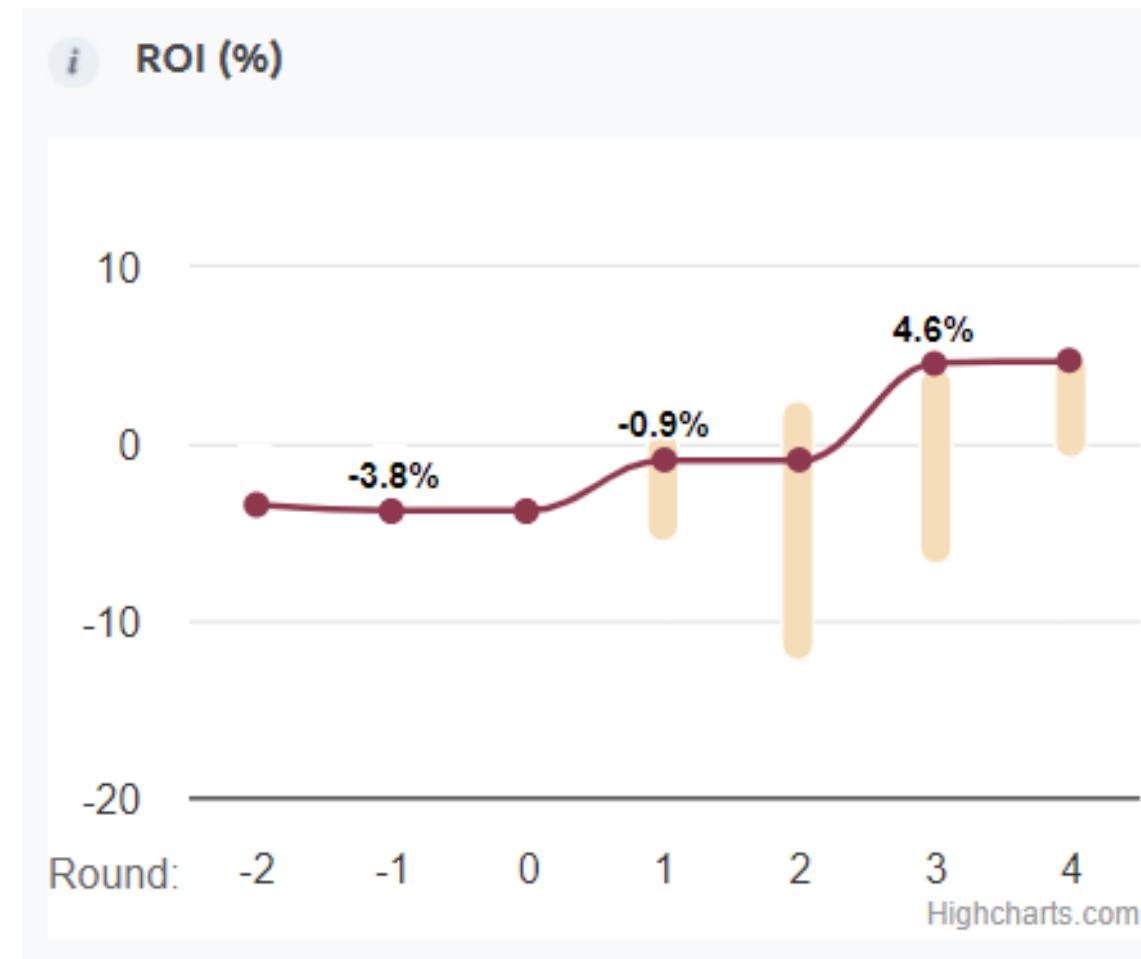
- Reduce obsolescence with help of VP Sales
- Solved obsolescence issue

Round 4

- Components far from stock outs
- Reduce safety stock
- No significant effects

**Cost of Scrap: \$40,203 to \$9,721
Moving forward: Collaboration**

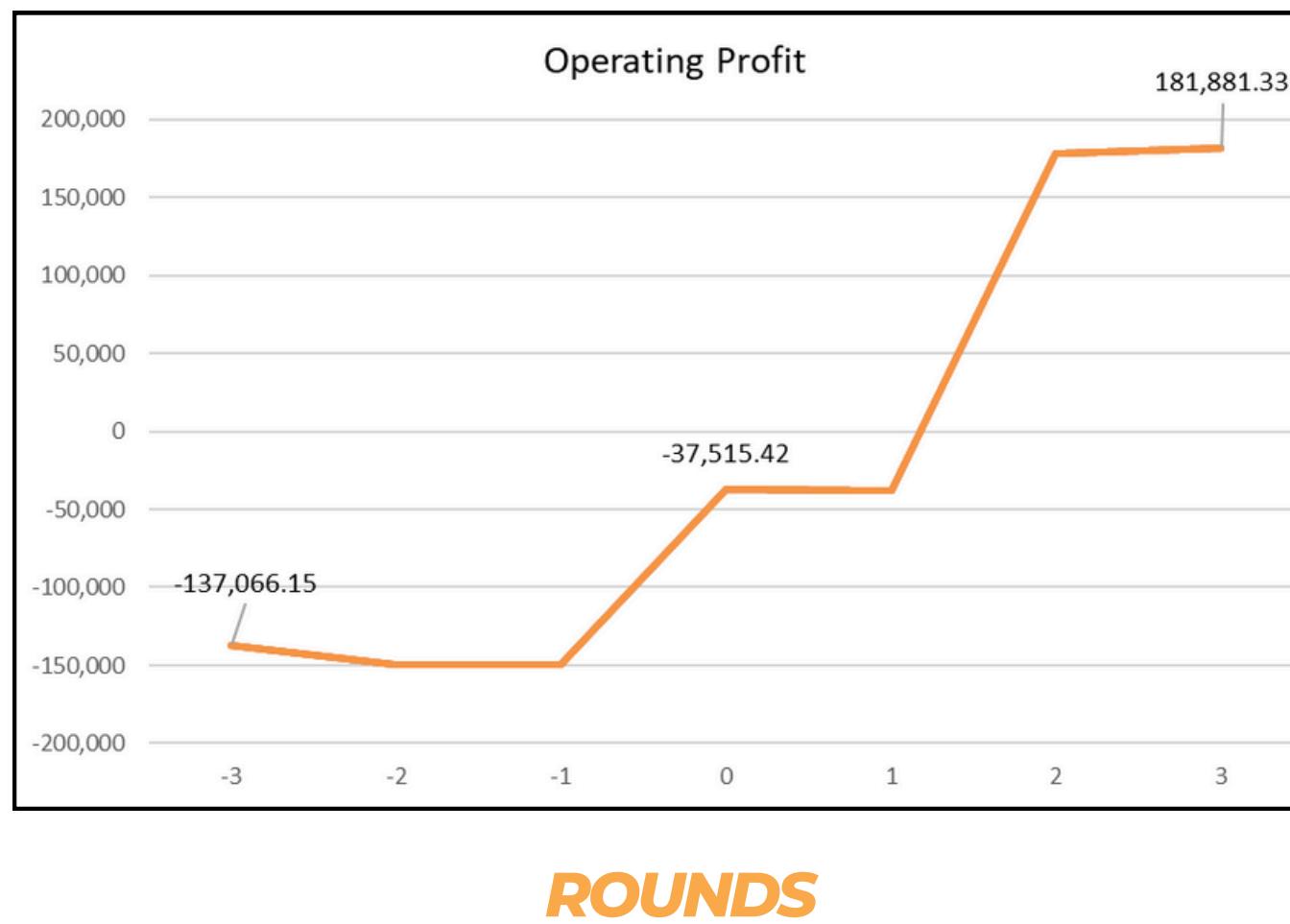




CONCLUSION

Outcomes

- Major successes in being able Increased ROI from -3.8% in round 0 to 4.67% in round 4.
- Operating profit has grown significantly, creating much success for our team.
- Costs have decreased steadily, especially labor and warehousing costs.
- Obsolescence has been completely eliminated following round 2.



GOING FORWARD

- Address high component rejection percentages and low delivery reliability from Mango and Vitamin C suppliers
- Address stagnant realize revenue and contract penalties
- Increase communication and collaboration with team



THANK YOU



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