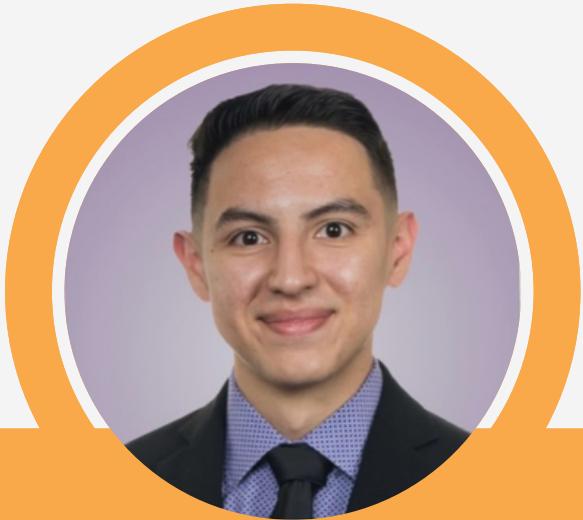


THE FRESH CONNECTION



The Fresh Connection

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



The Fresh Connection

TABLE OF CONTENTS

- Executive Summary
- KPIs and Financials
- Snapshot of Every Department
- Next Steps



EXECUTIVE SUMMARY

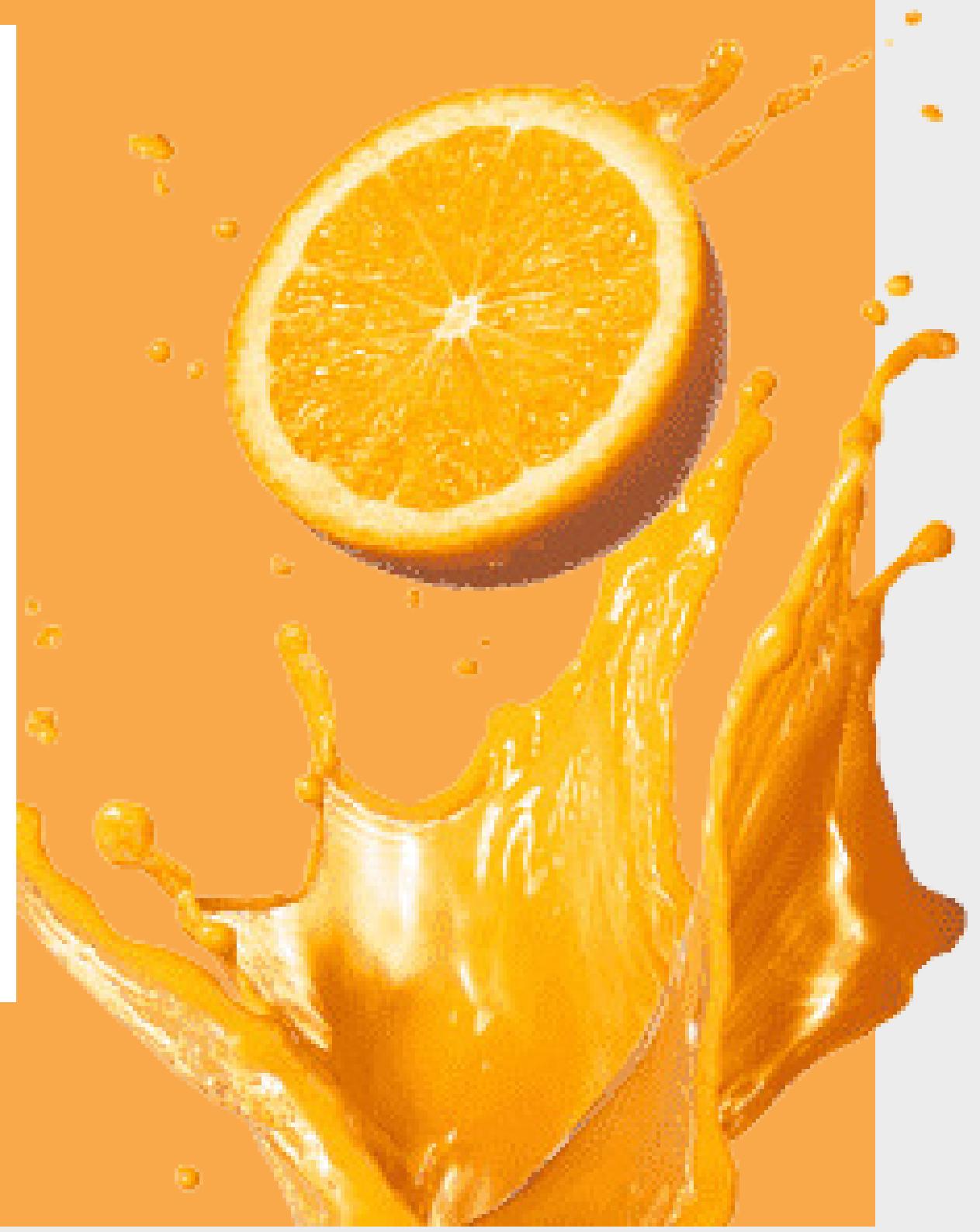
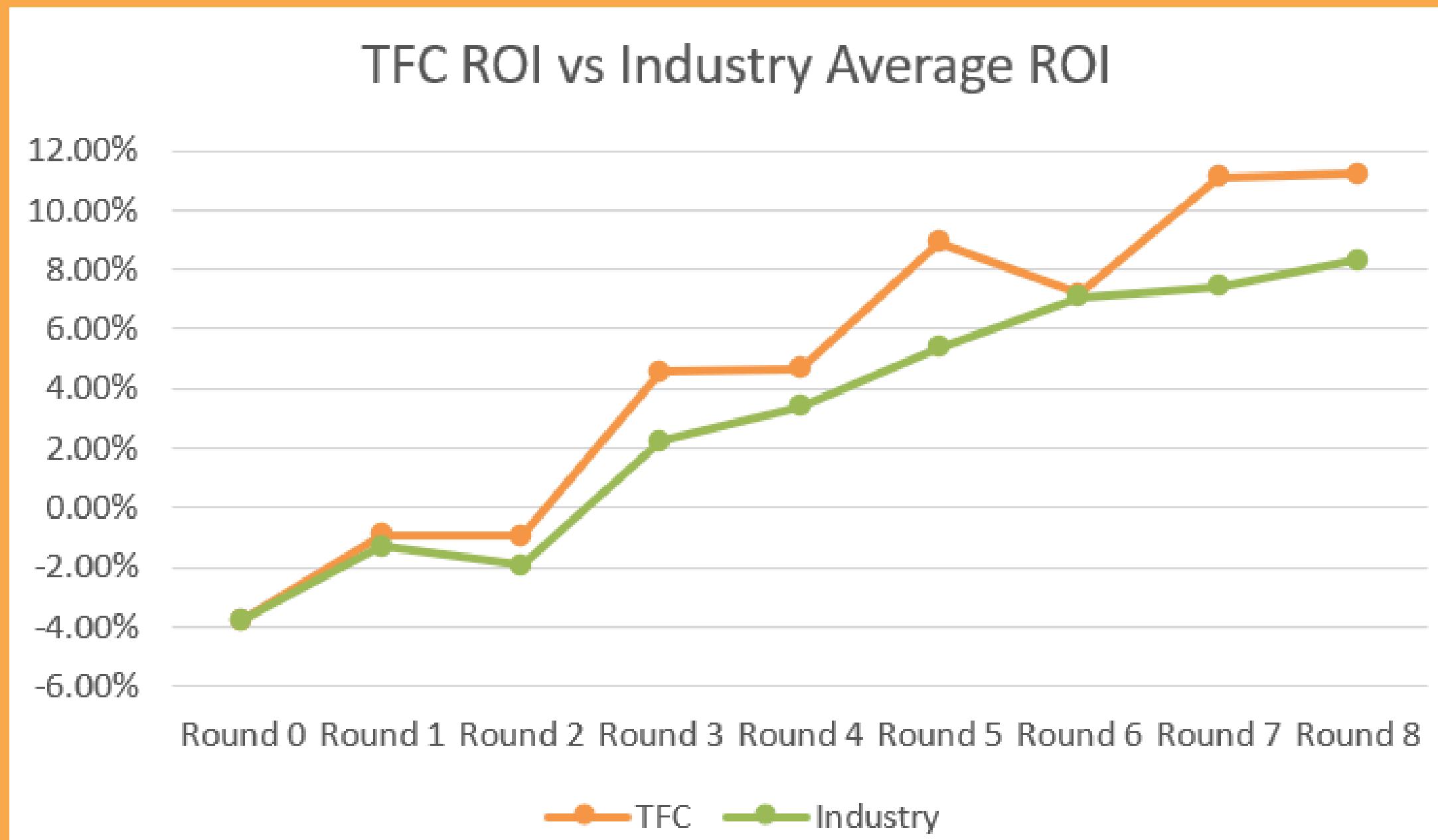
Initially, we focused on fixing the glaring issues within each role. As the rounds progressed, we focused on coming together to optimize decisions and maximize ROI growth.

Team priorities:

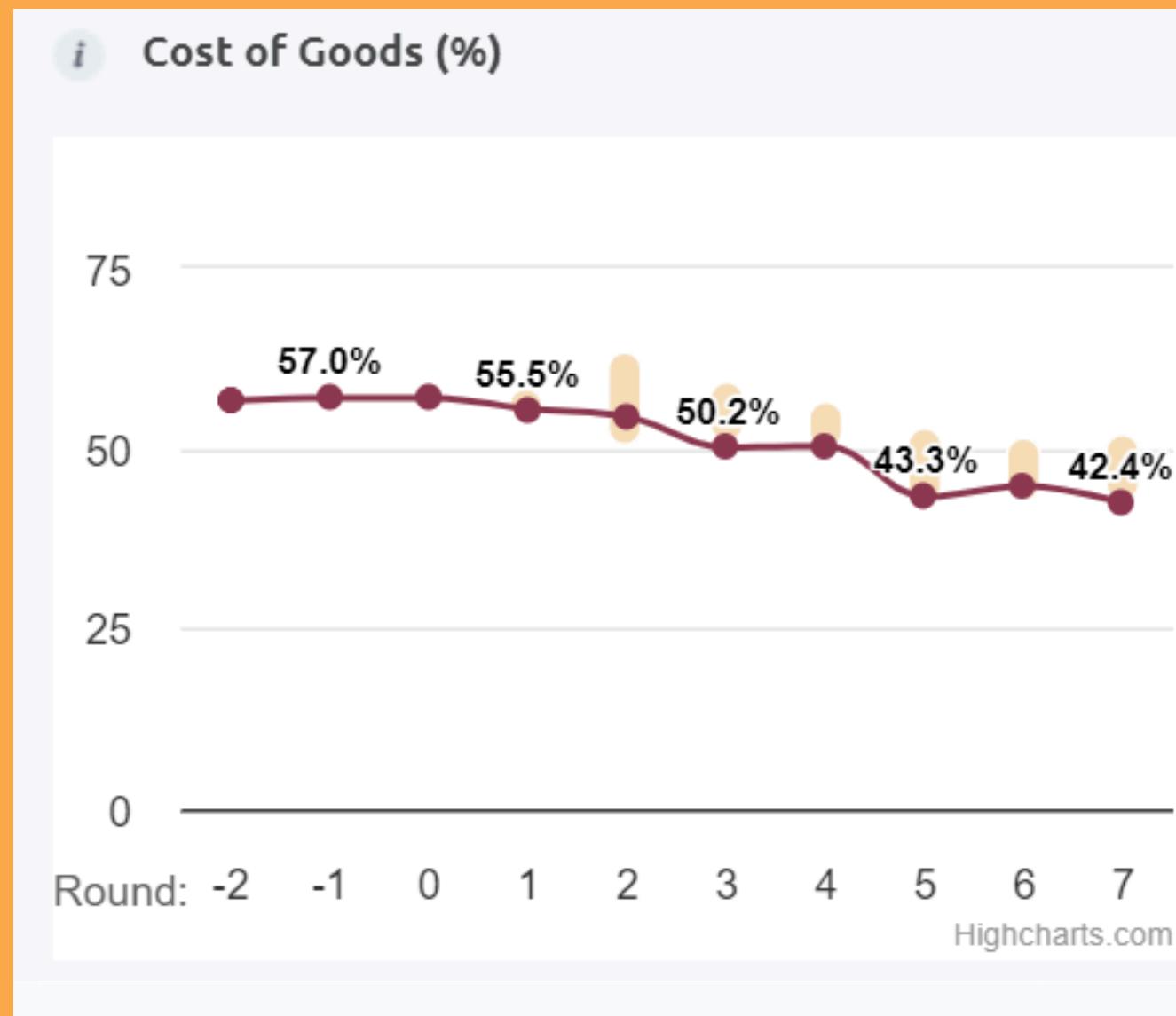
- Prioritizing component availability over price**
- Maximizing realized revenue through customers relationships**
- Increase production plan adherence**
- Ensure we have the inventory to execute new decisions**



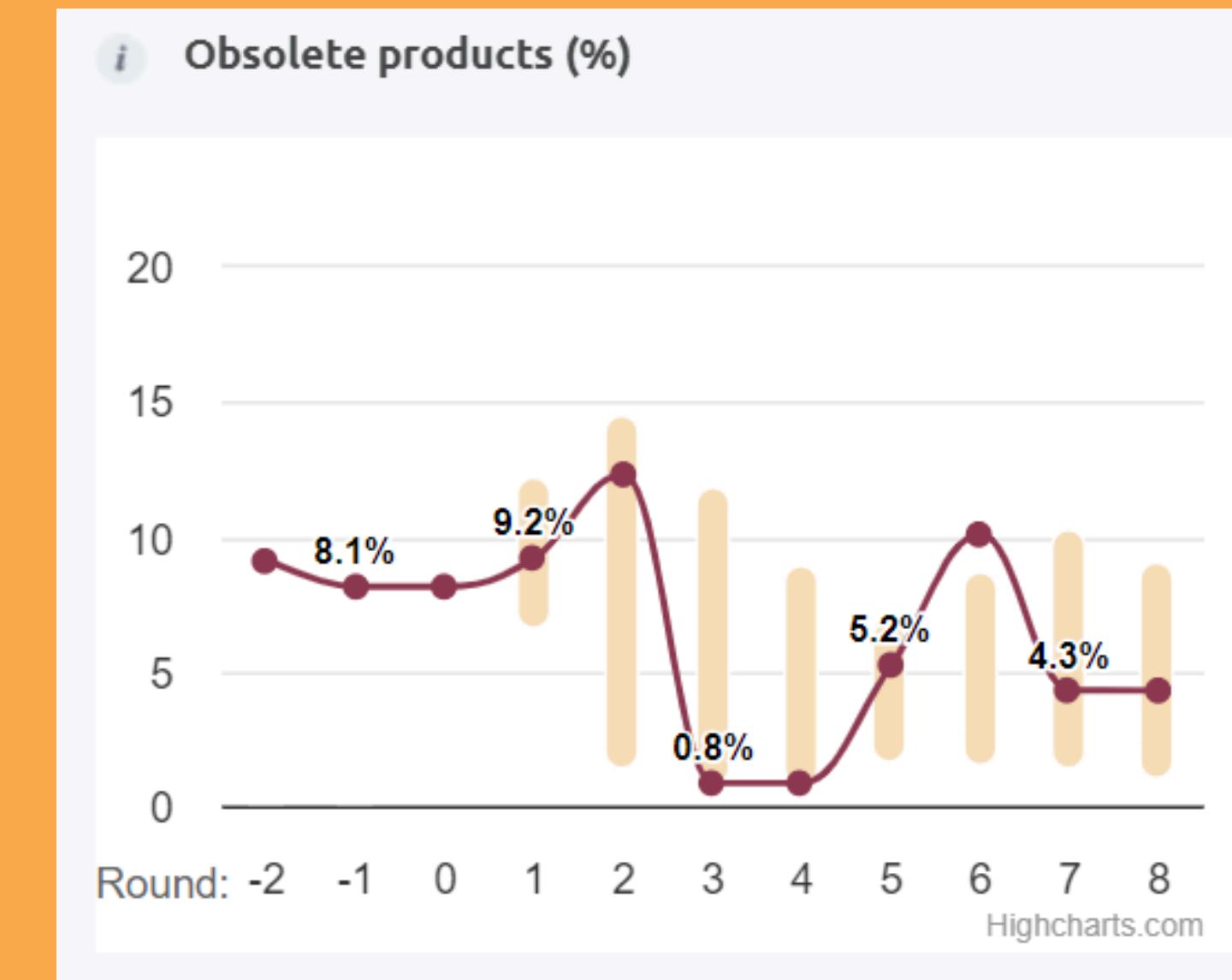
KEY KPIS



MORE KPI'S



Cost of Goods Sold

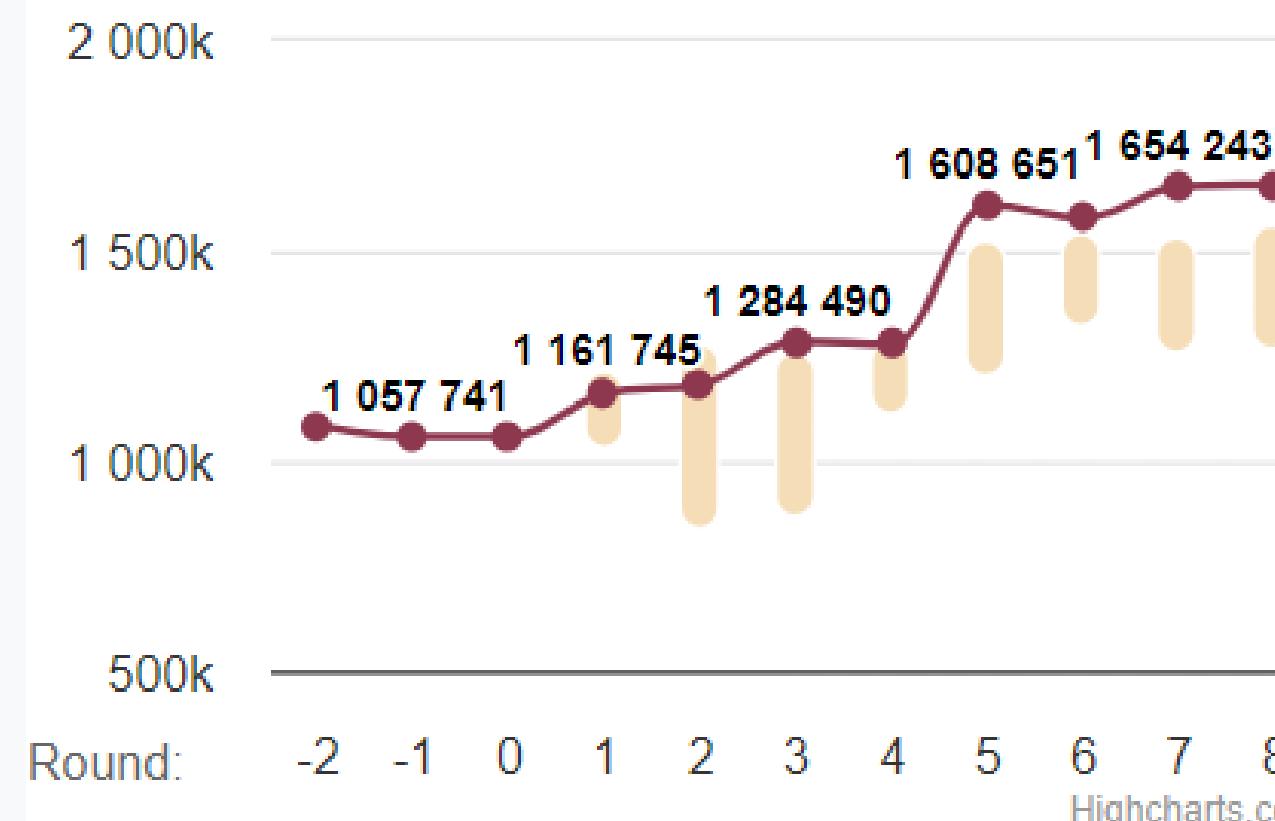


Obsolete Products



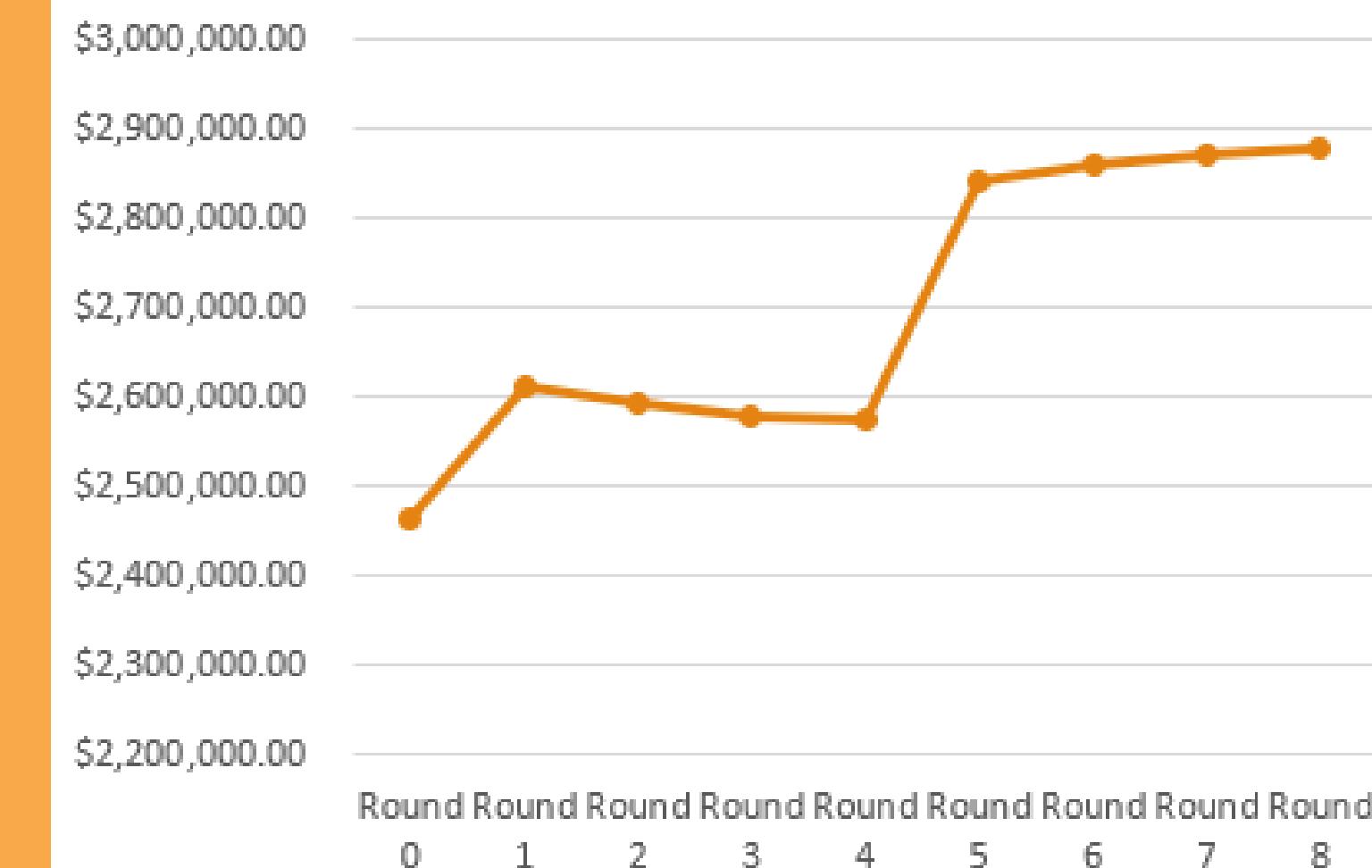
FINANCIAL RESULTS

i Gross margin (customer)



Gross Margin

Realized Revenue



Realized Revenue

PURCHASING STRATEGY



**Increasing Supplier
Reliability**



**Maximizing Contract
Value**



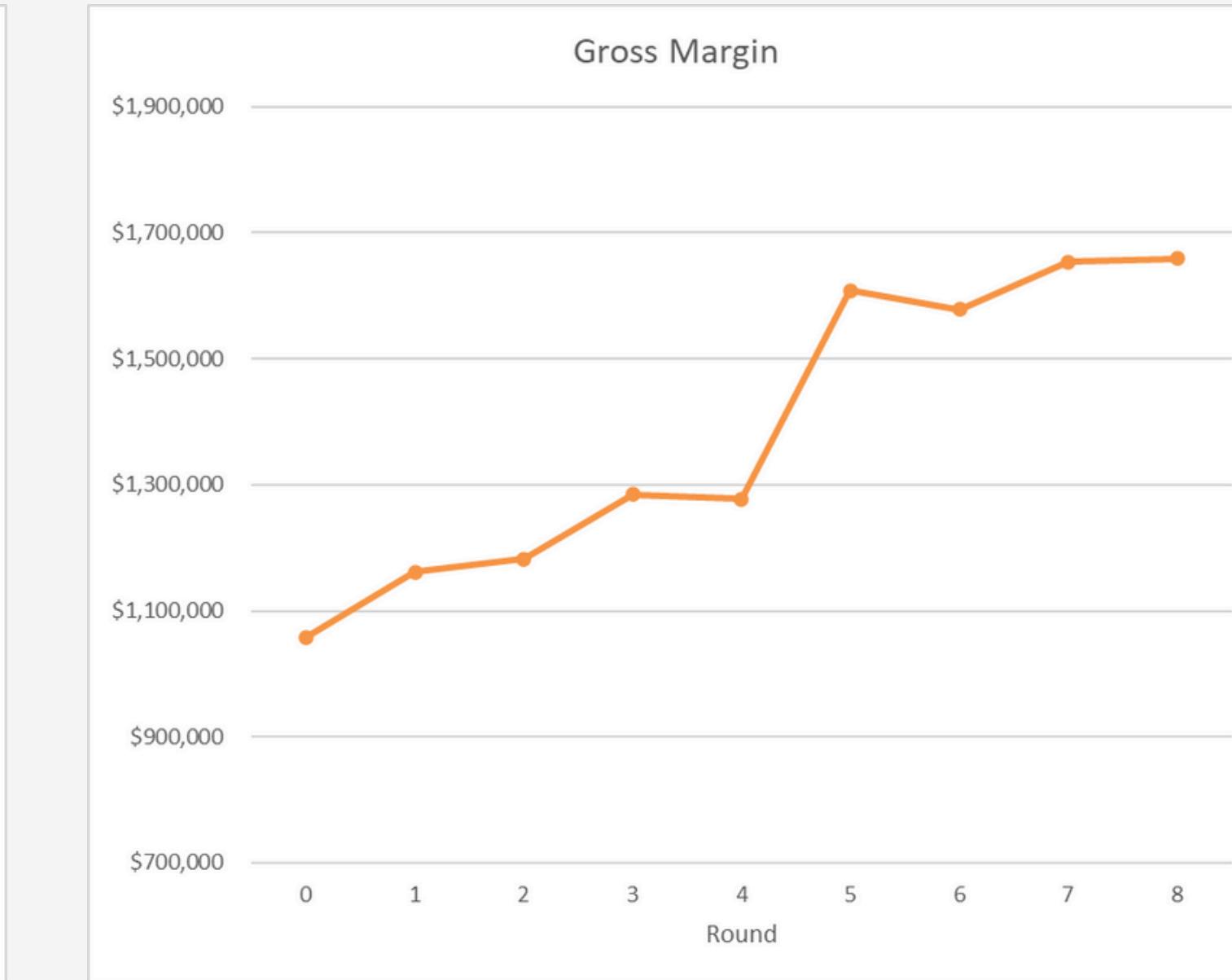
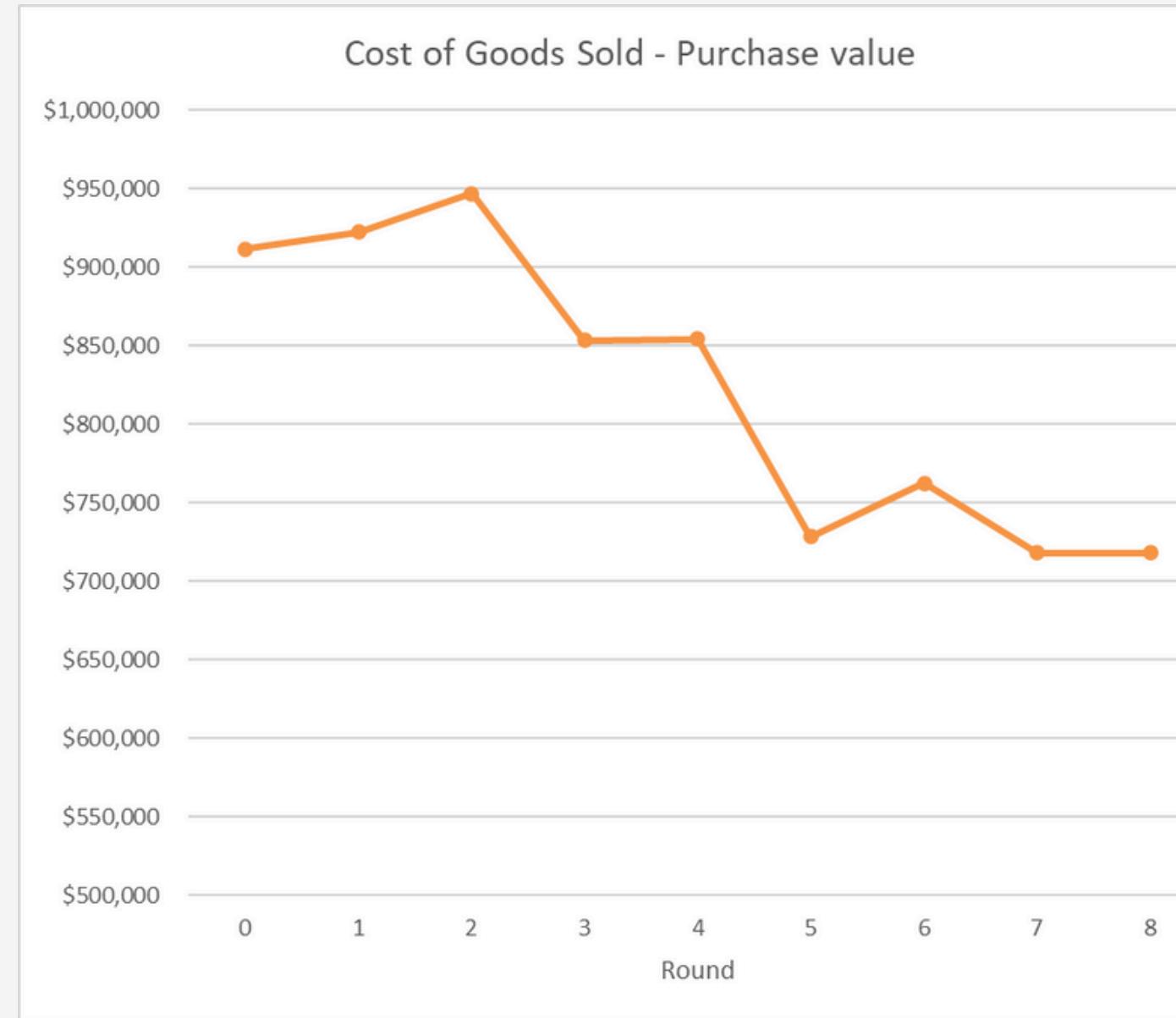
**Meeting uptick in
demand**

Understanding how to create and find value in each decision was critical to the success of our team and ensuring I was not the limiting factor in the growth of ROI



The Fresh Connection

KEY FINANCIALS: PURCHASING



- Monitoring the cost of contracts and impact to the gross margin throughout the simulation was key to maximizing value and ROI growth.



VP PURCHASING

Round 5

- Supplier selection :Replaced all suppliers for each component in order to maximize delivery and component Reliability, while also reducing lead times.
- Lowered Payment terms to 2 weeks
- Increased quality to “High” for all components
- Adjusted trade units from FTL -> Pallets after switching to inflatables
- Switched all transportation to Trucks

Round 6:

- Switched Mango supplier back to original supplier due to low component availability

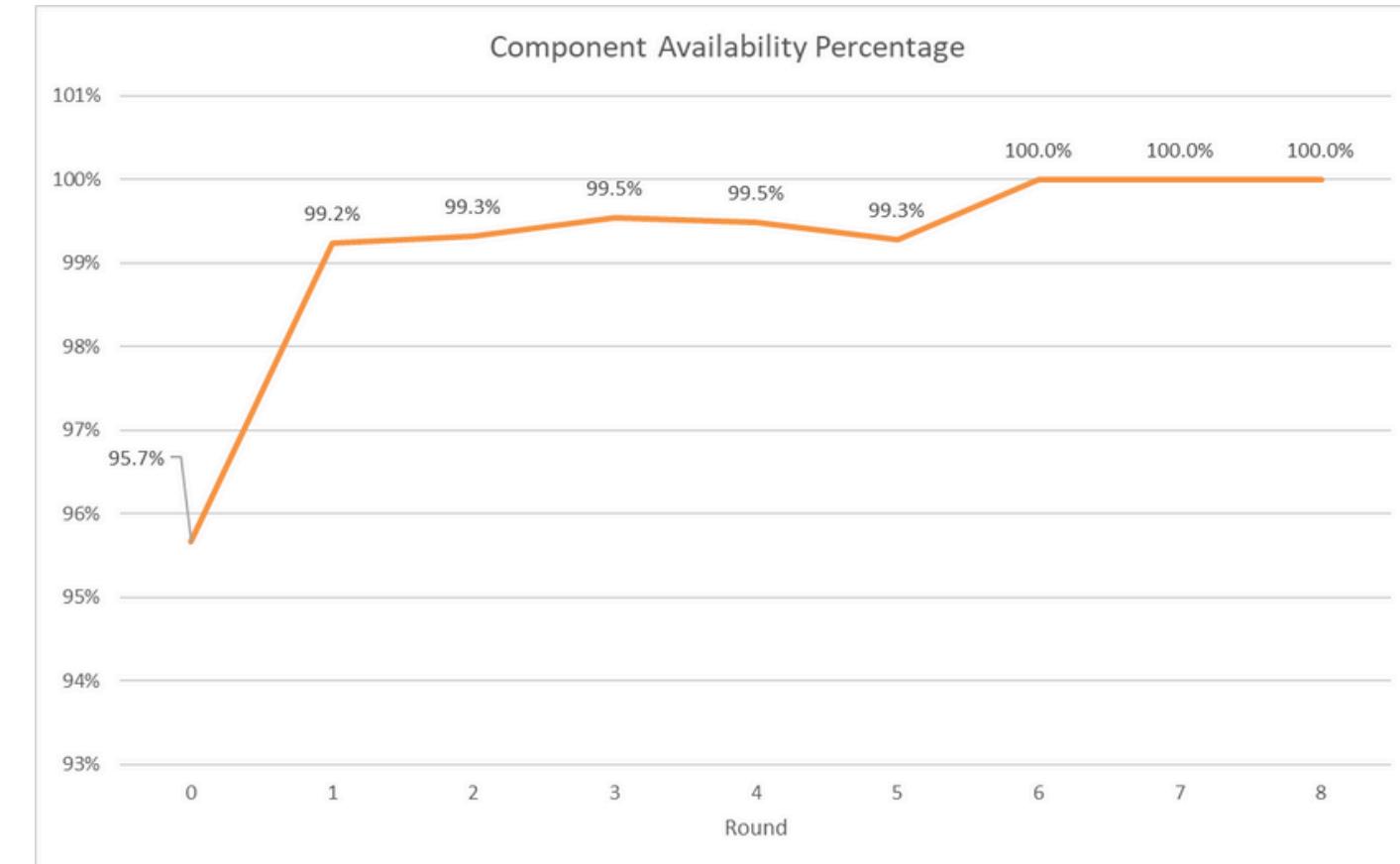
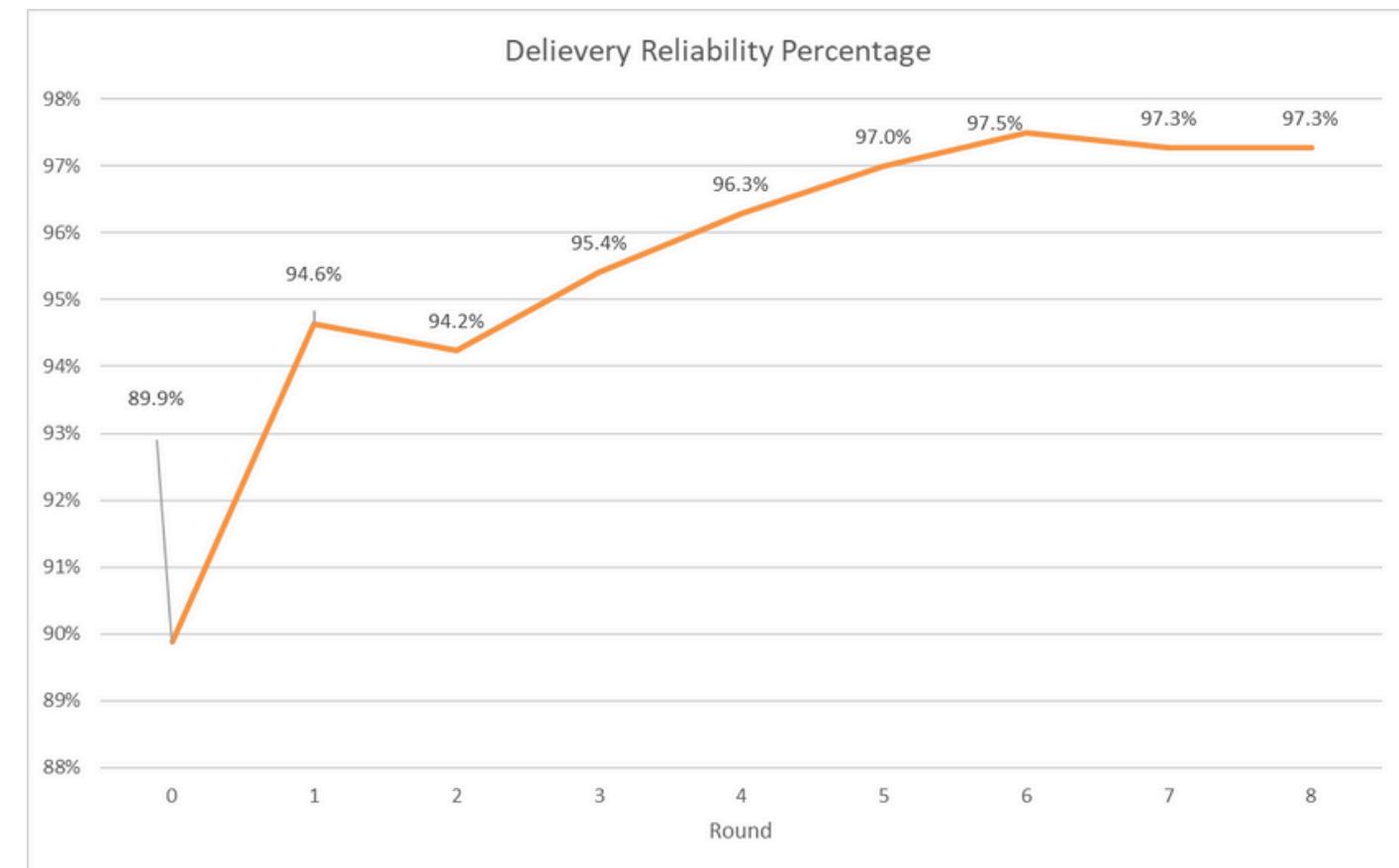
Round 7:

- Increased payments terms to 3

Round 8:

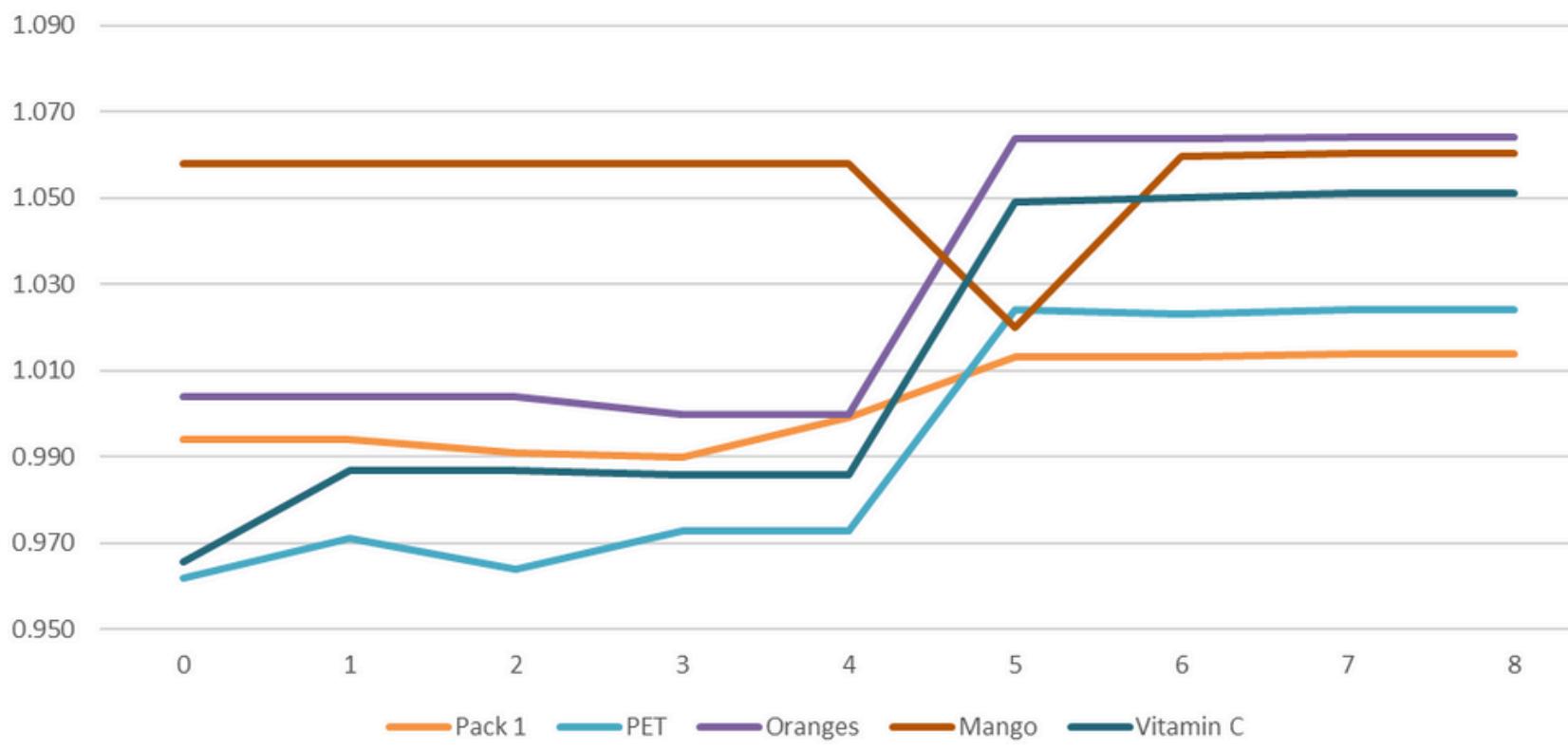
- No decisions made on purchasing side for final round due to achieving good results from all suppliers.

KEY KPIS:

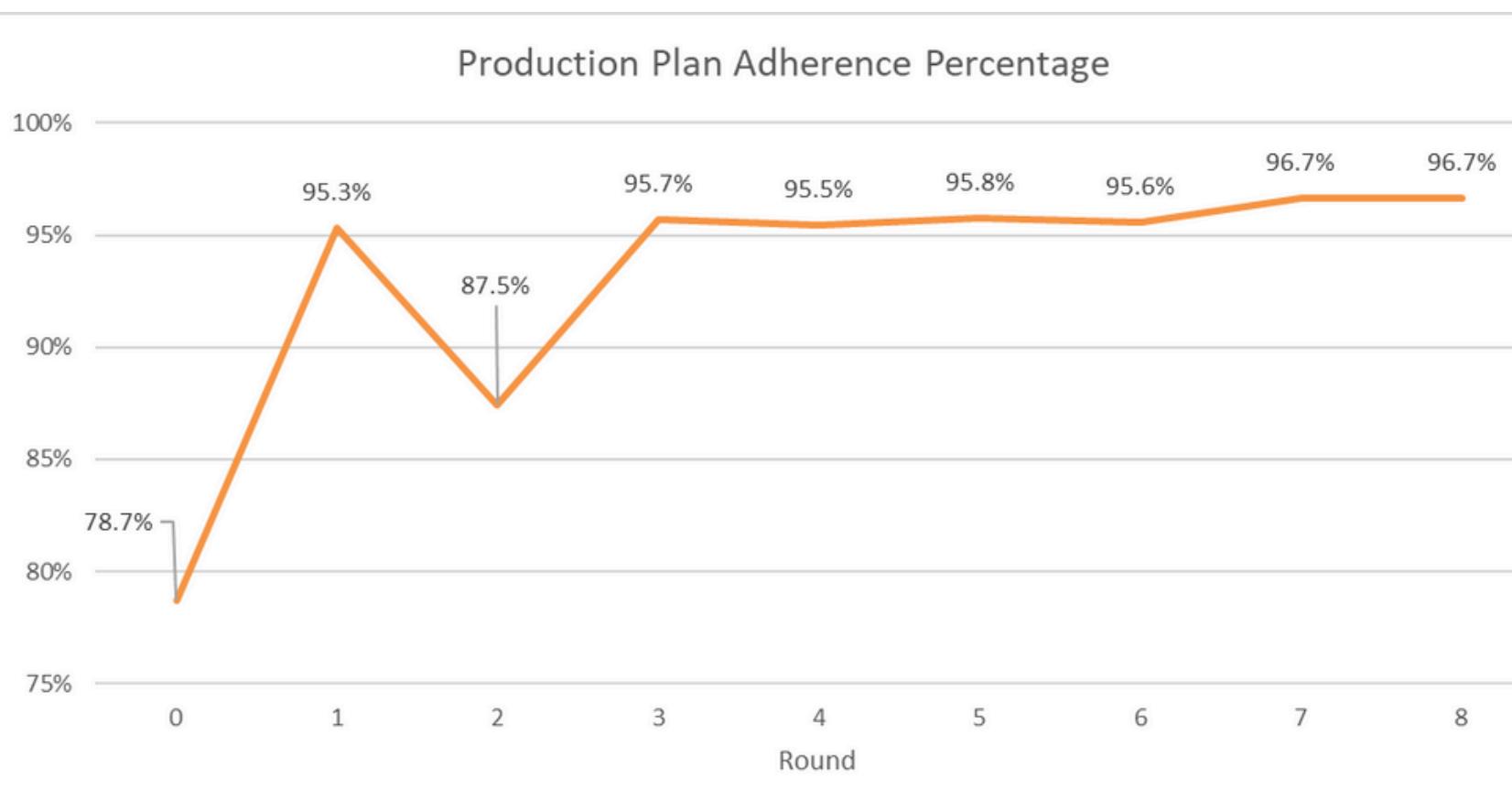


The Fresh Connection

Contract Indexes for Suppliers



Production Plan Adherence Percentage



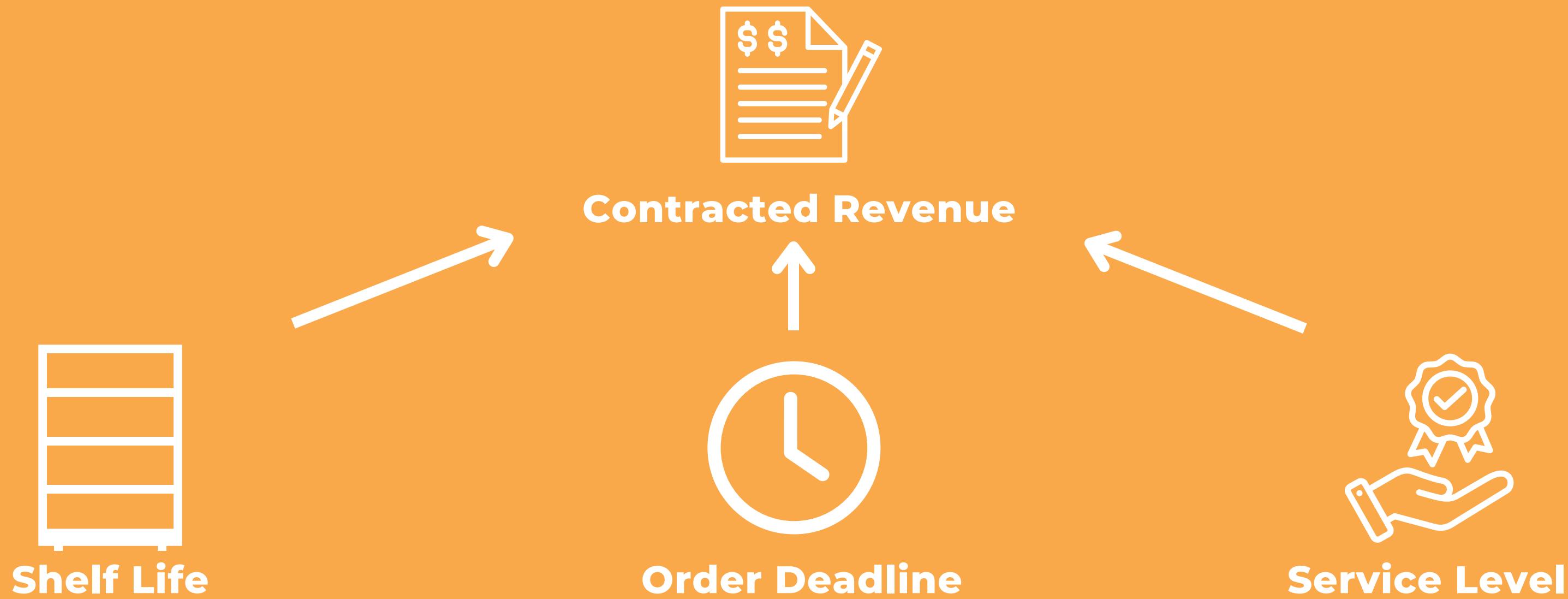
TRADE OFFS

Key Tradeoffs

- Significant increase in overall contract indexes for new suppliers selected in exchange for increased reliability and availability of raw materials to maintain increased promotional pressure and shorter frozen period and generate more revenue.
- Switched all transportation modes to trucks in order to minimize lead times for all components which increased overall transportation costs and allowed for the reduction in inventory on hand.
- Chose higher quality suppliers instead of paying for development and dual sourcing programs.



SALES STRATEGY

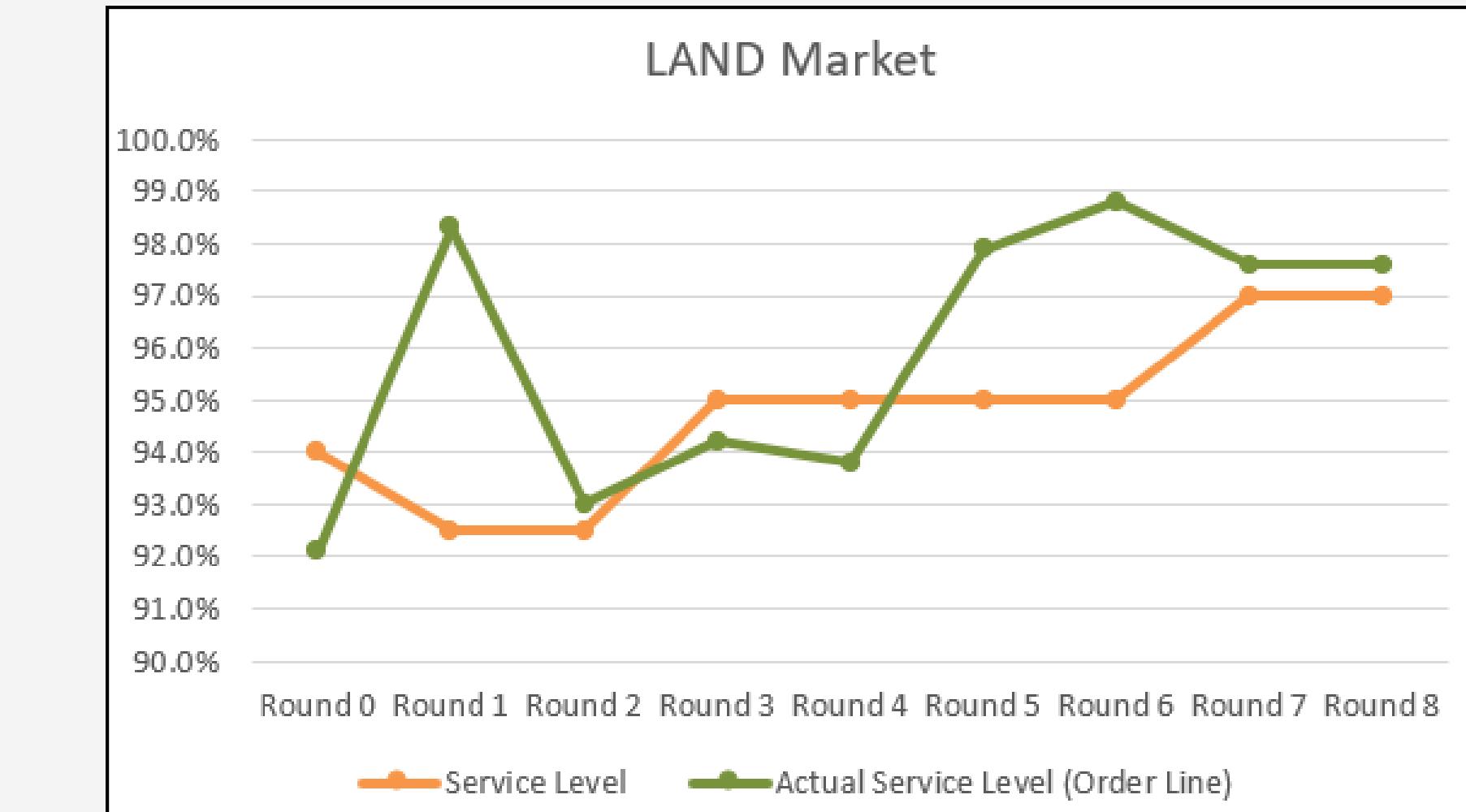
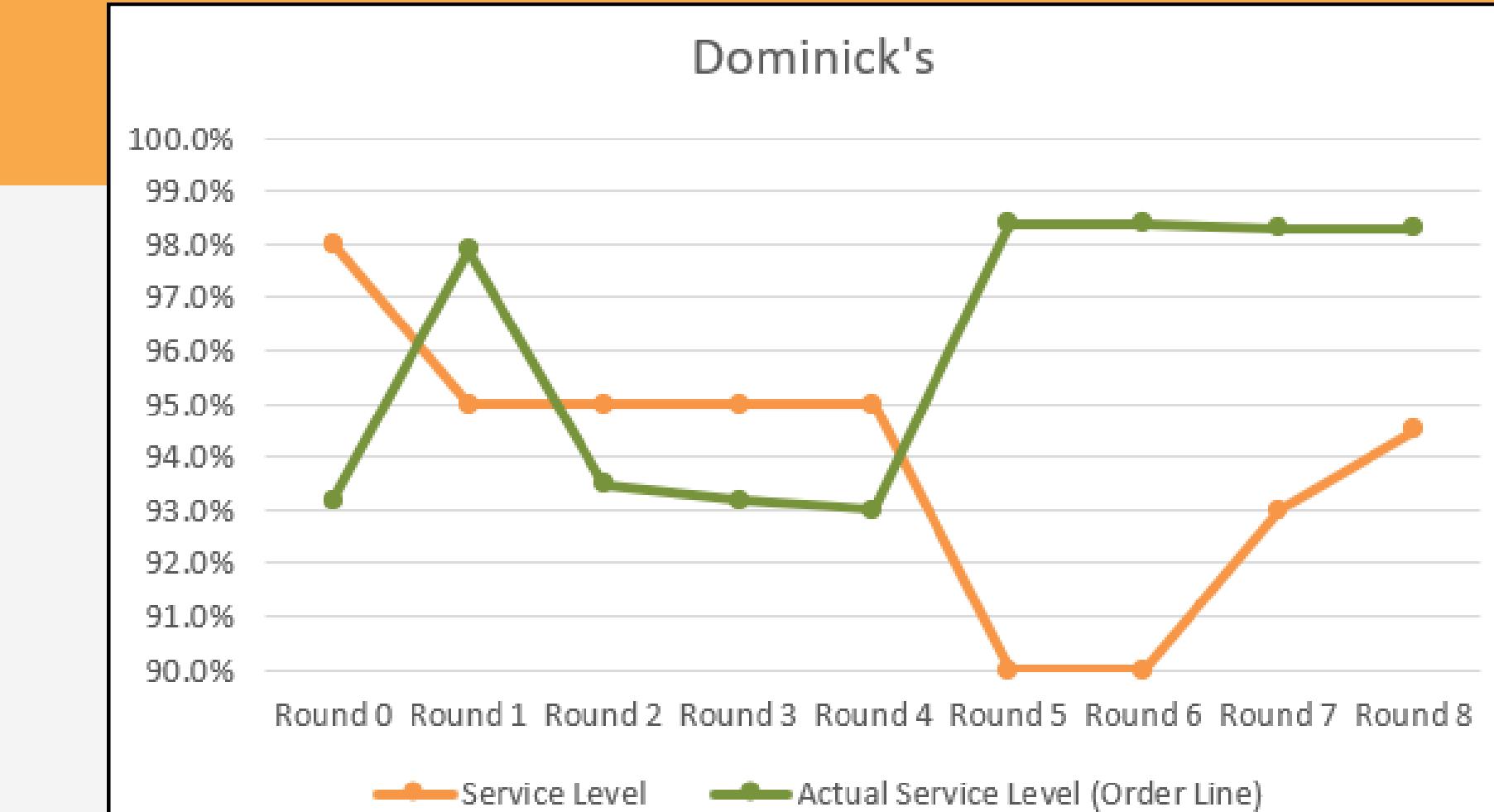


Optimizing contracted revenue from each customer through negotiating service level, order deadline, promotions and customer shelf life.



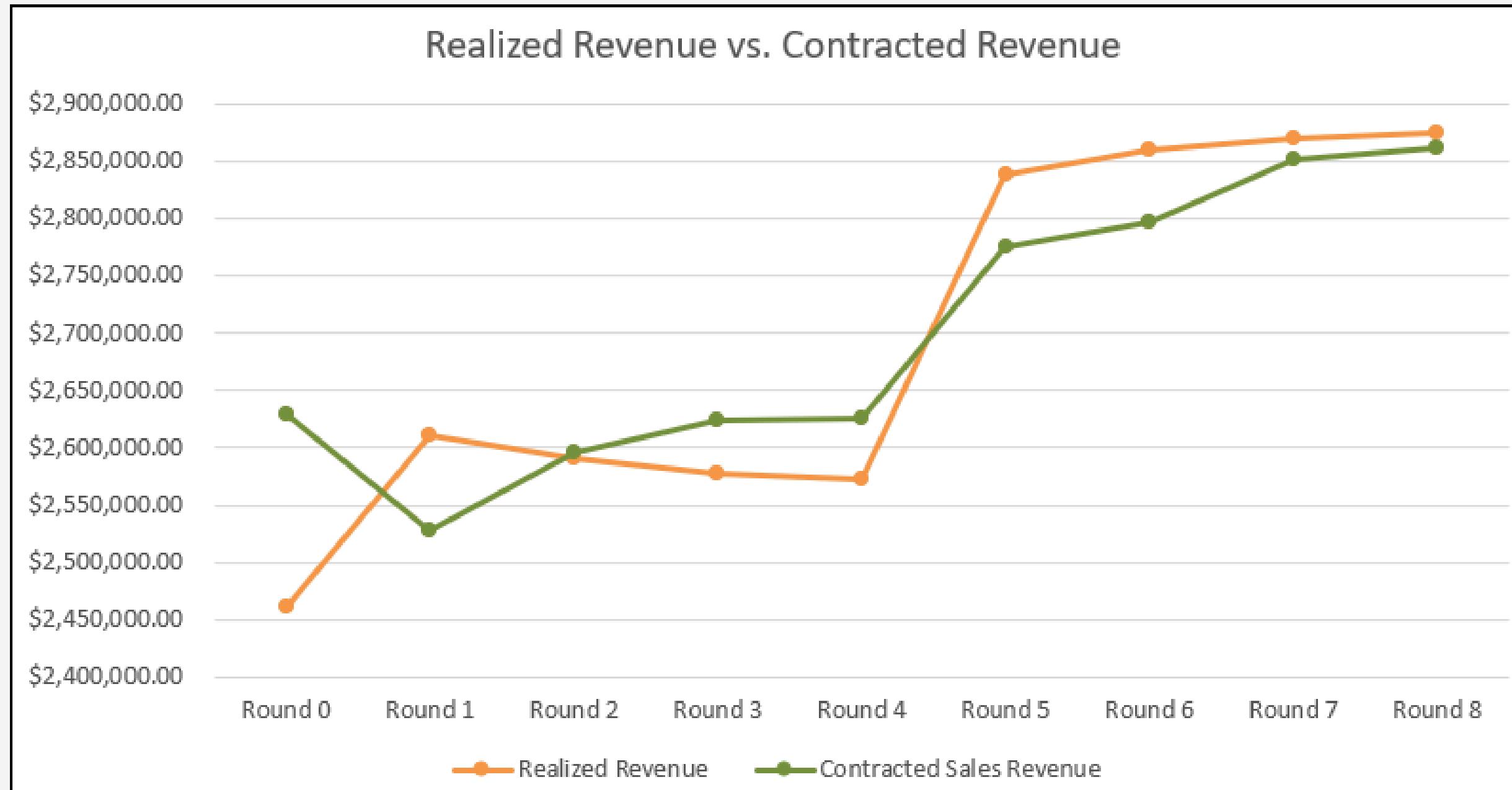
SALES

KEY KPI:



SALES

KEY FINANCIALS:



Increasing Contracted Sales Revenue while monitoring Contract Bonuses/Penalties to ensure highest possible Realized Revenue

SALES

Round Decision Summaries

- Round 5:

- Implement VMI for Food and Groceries & LAND Market
- Payment terms to 6 weeks
- Promotional Horizon Short
- Promotion Pressure Heavy for Food and Groceries & LAND Market

Market

- Raised Shelf Life for Food and Groceries & LAND Market to 80%

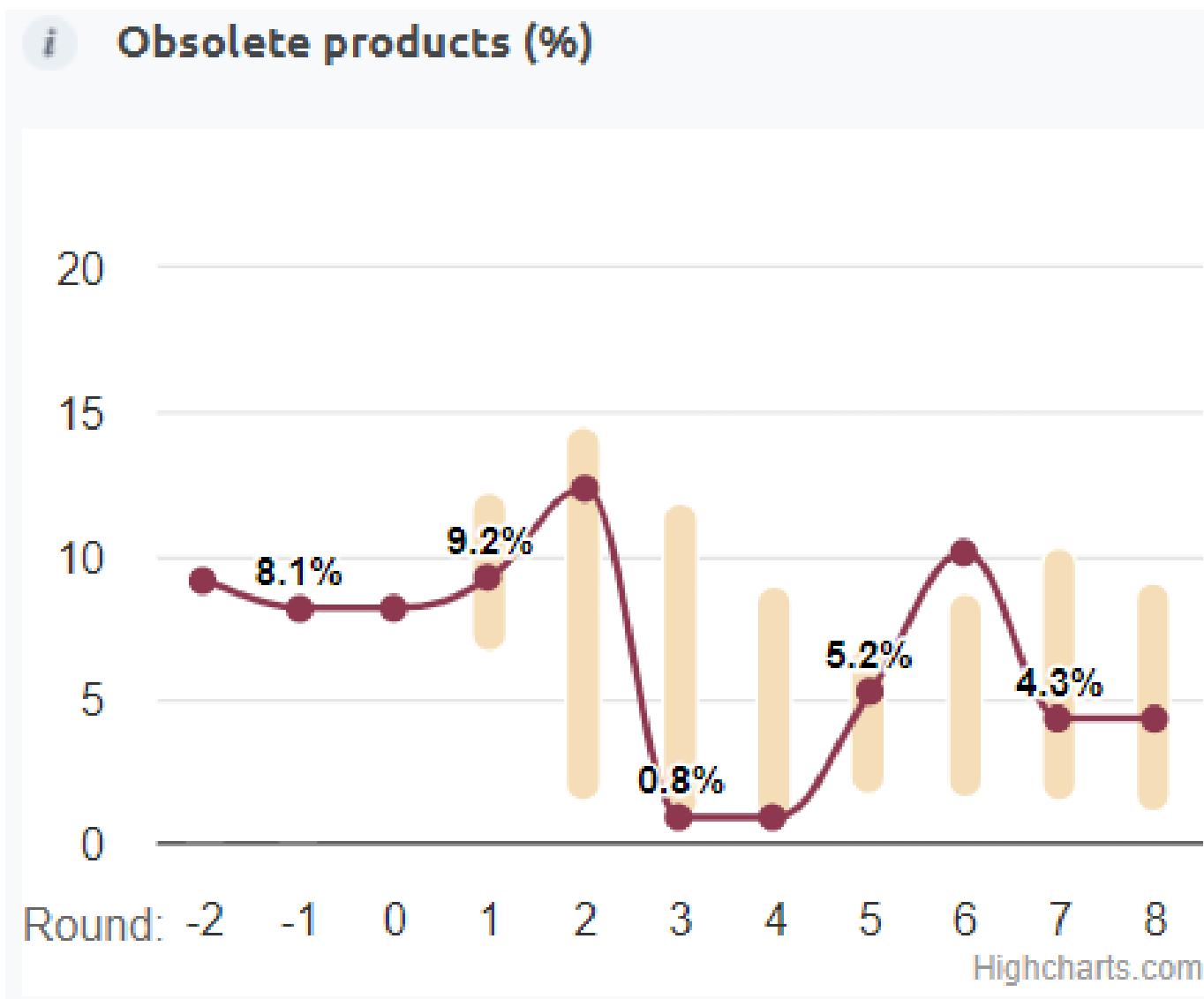
- Round 6: Over Forecasted, spike in Obsolete Products

- Round 6-7: Renegotiate Contracts with Food and Groceries & LAND market to get higher Contracted Revenue

- Round 8: Renegotiate Dominick's Contract since meeting

Customer Priority with other customers

KEY KPIs:



Obsolete Products: 8.1% to 4.3%

SALES

Tradeoffs:

Prioritizing Food and
Groceries & LAND
Market customers



Ability to offer
higher shelf life and
service level



Higher contracted
revenue

Implementing VMI
for Food and
Groceries & LAND
market



Financial Cost of VMI
(\$5,000 and lower
contract index)



Increase sales
through
promotional
pressure since
higher OSA



Lower bonuses and
higher risk of
penalties



The Fresh Connection

ROLE

- Manage warehouses
- Take care of production line
- Optimize labor

OPERATIONS

STRATEGY

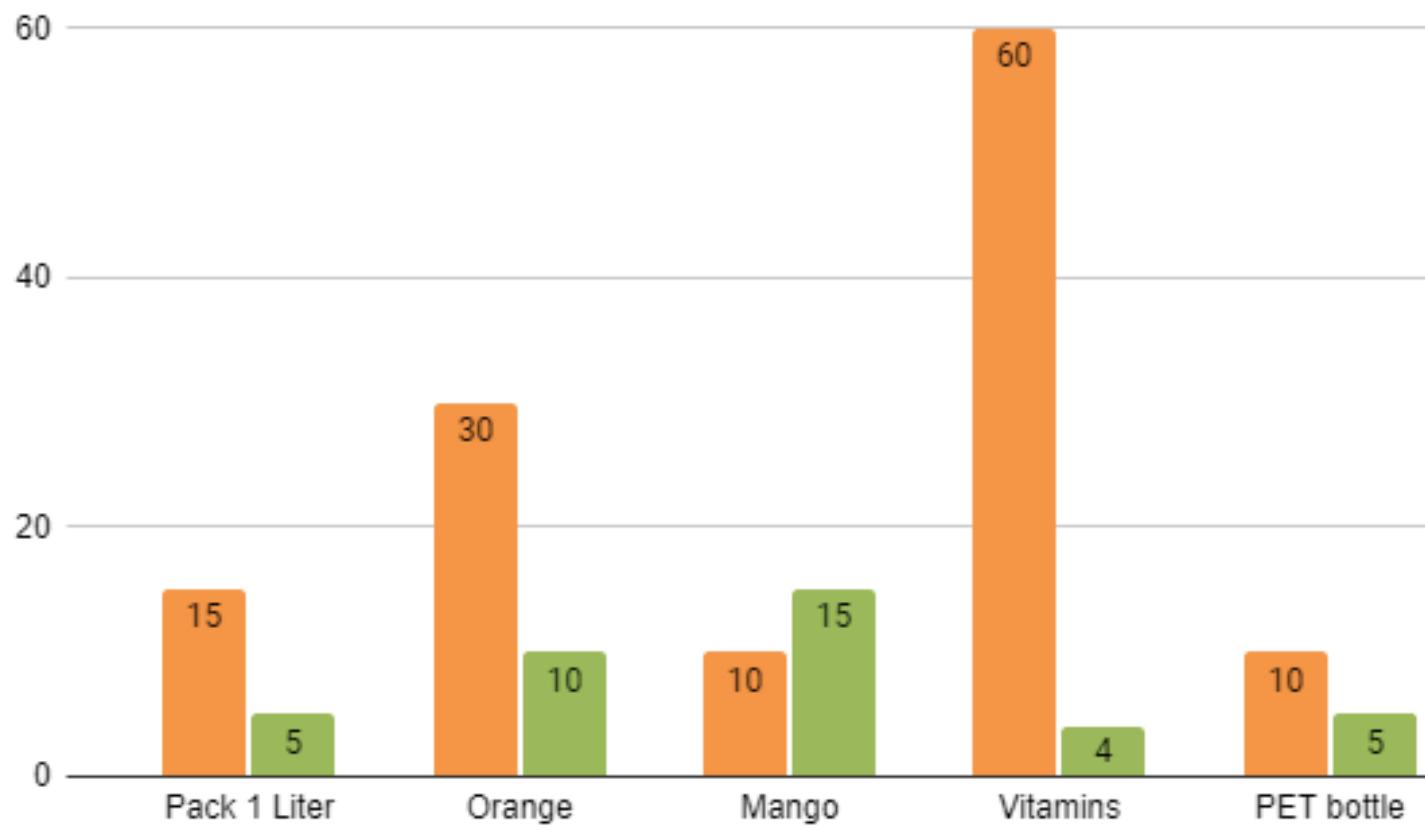
- Reduce stock + labor costs
- Optimize bottling capacity
- Collaborate with other VPs



INBOUND WAREHOUSE

Intake Time Warehouse

Supplier Lead Time



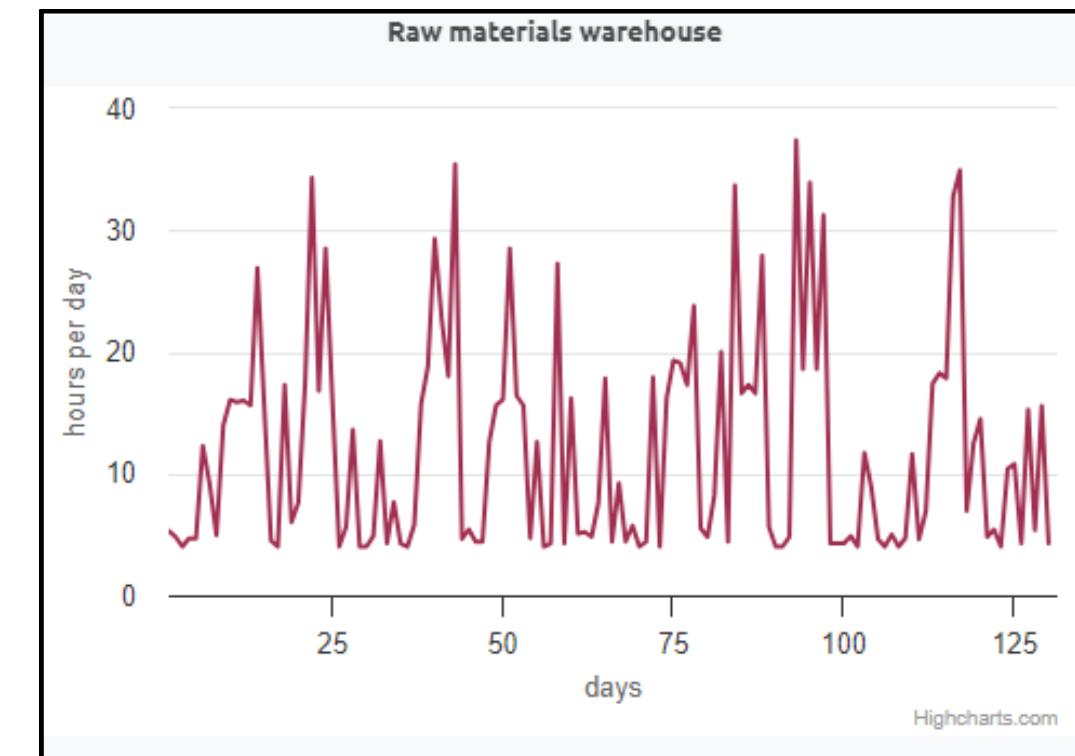
For 4 rounds: Increase intake time from 5 to 7 days.

Benefits:

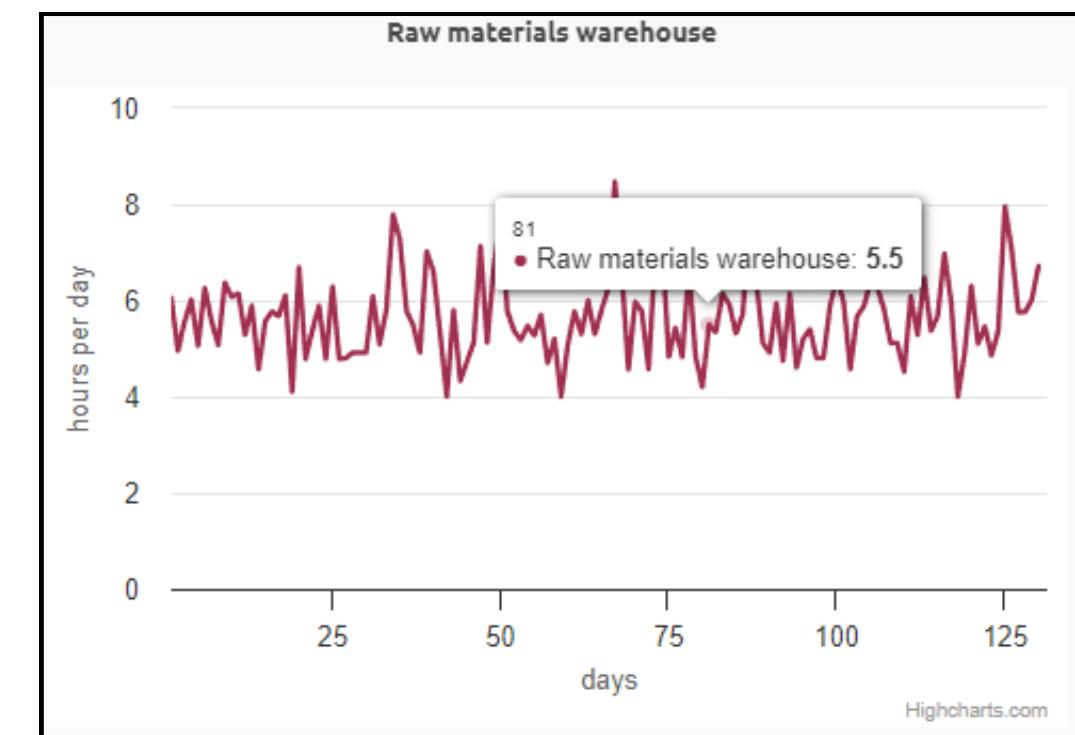
- Lower peak labor requirements
- Lower flexible labor over time

KEY KPIs:

Flexible manpower stays at 0.0.



before

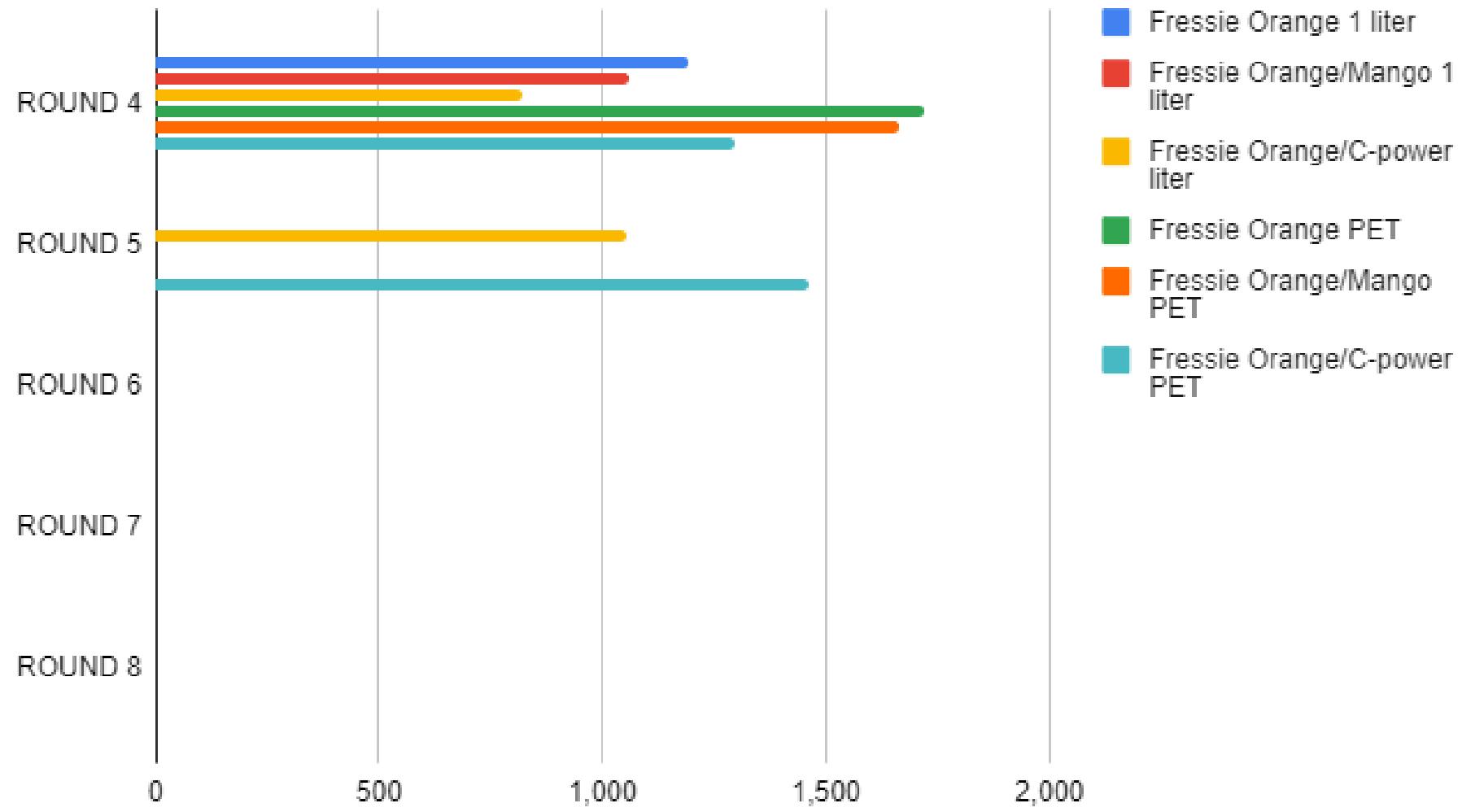


after

INBOUND WAREHOUSE

Raw materials inspection

Reject Rates for Finished Products



Round 5: Orange, Mango, PET bottle

Round 6 - 8: Orange, Mango, PET bottle, Vitamin C

Cost: 6 - 8 working hours more

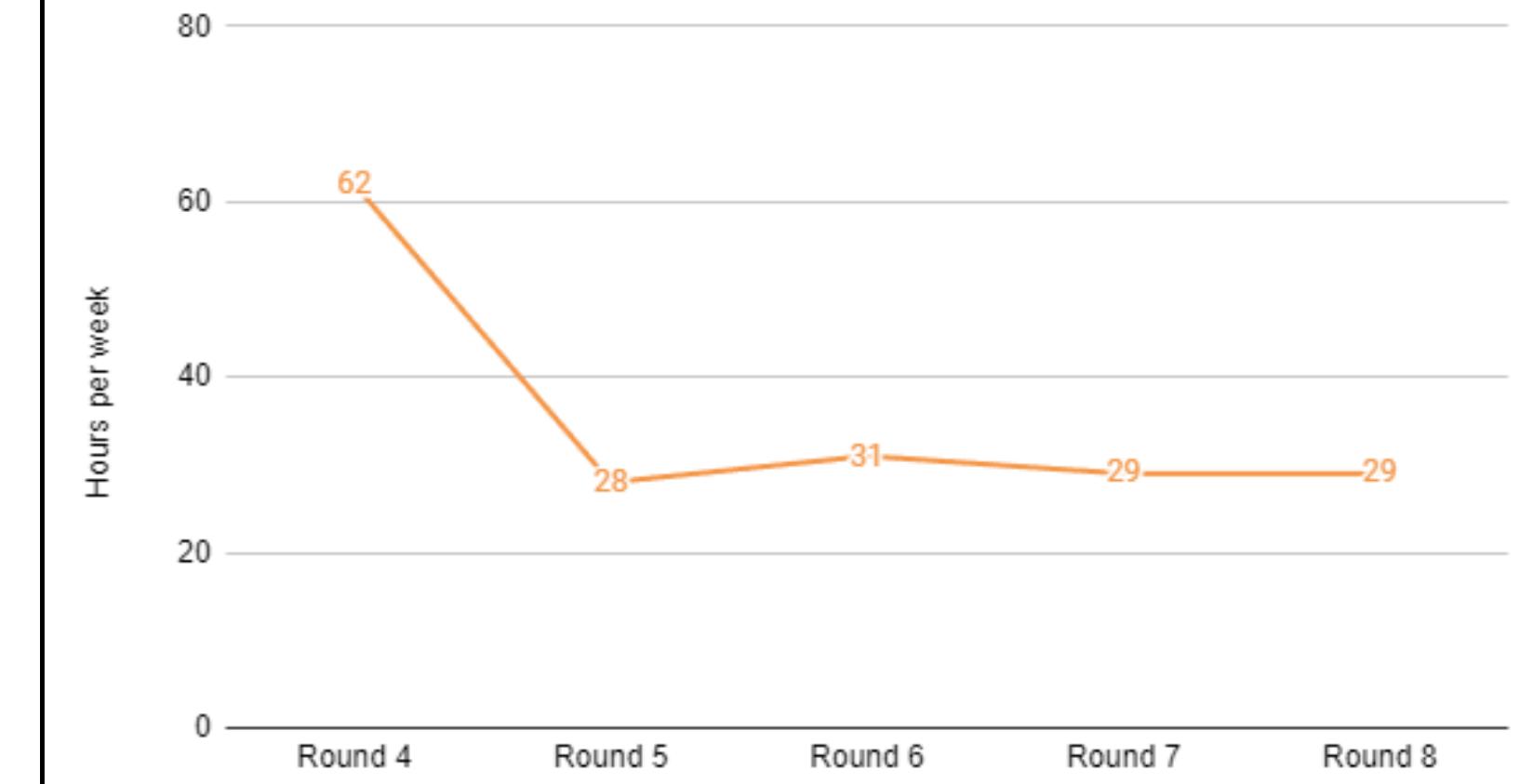
Inflate PET bottles

Tradeoff: 700,000 investment and 70,000 per round.

Benefits:

- 90% less pallet locations - significantly less labor

Hours/week in raw materials warehouse



Lead to # of employees being reduced from 5 to 1.



The Fresh Connection

PRODUCTION LINE

Mixer selection

Factors	Fruitmix MQ	FMM 4000	Megachurn 20
Technical batch range	8,000 - 12,000	3,000 - 6,000	15,000 - 20,000
Investment	312,500	250,000	375,000
Total annual cost	230,980	234,600	262,200
Run time per batch	2	2	2
Cleaning time	2	1	3



The Fresh Connection

PRODUCTION LINE

Bottling line selection

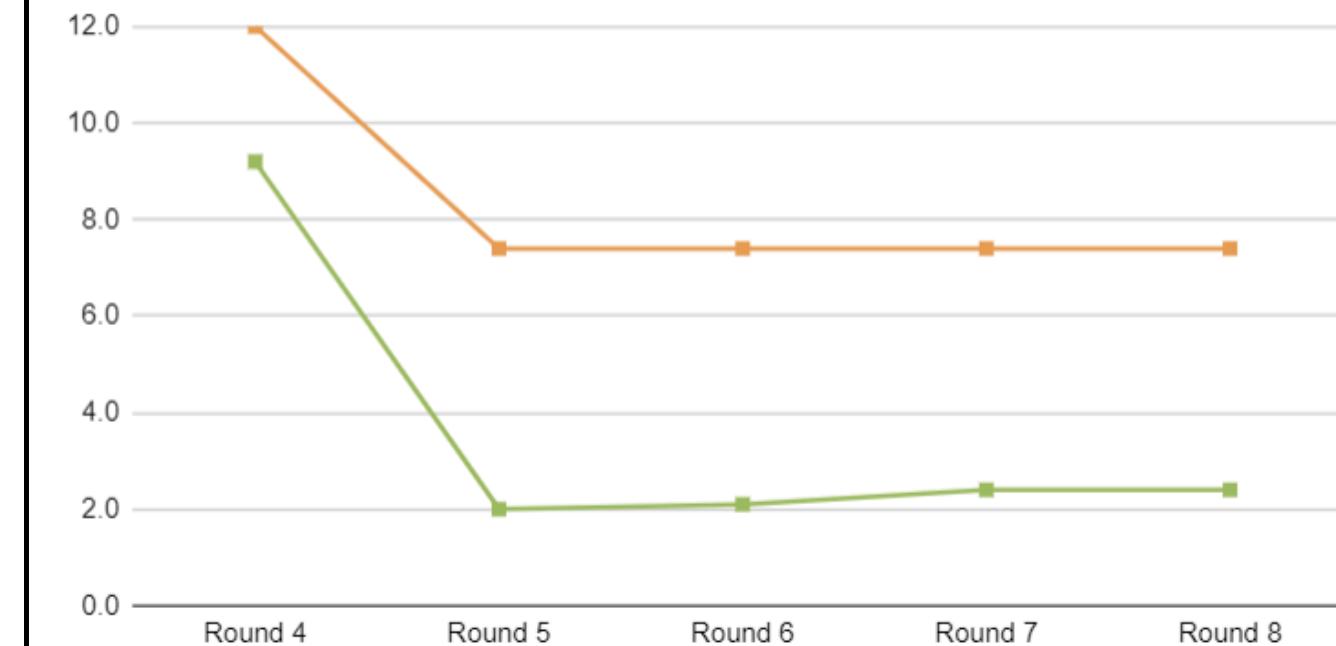
Factors	Swiss Fill	TopSpeed	MultiFlex
Capacity	3,100	3,250	2,950
Investment	490,000	570,000	425,000
Total annual cost	139,971	189,937	103,059
Total changeover time	14.7	26.1	7.3
Tolerances	Middle	Narrow	Wide



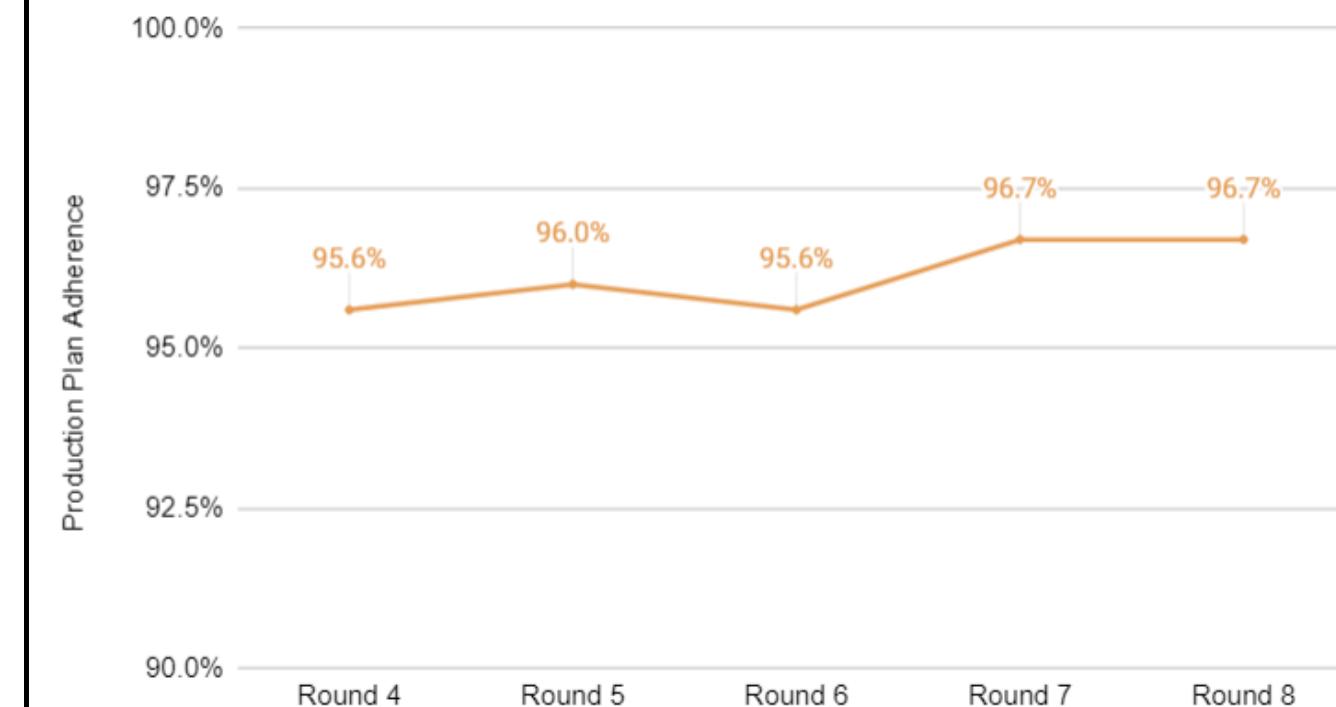
KEY KPI'S:

Changeover time and Breakdown time

■ Changeover time ■ Breakdown time



Production Plan Adherence



FINANCIAL RESULTS

OUTBOUND WAREHOUSE

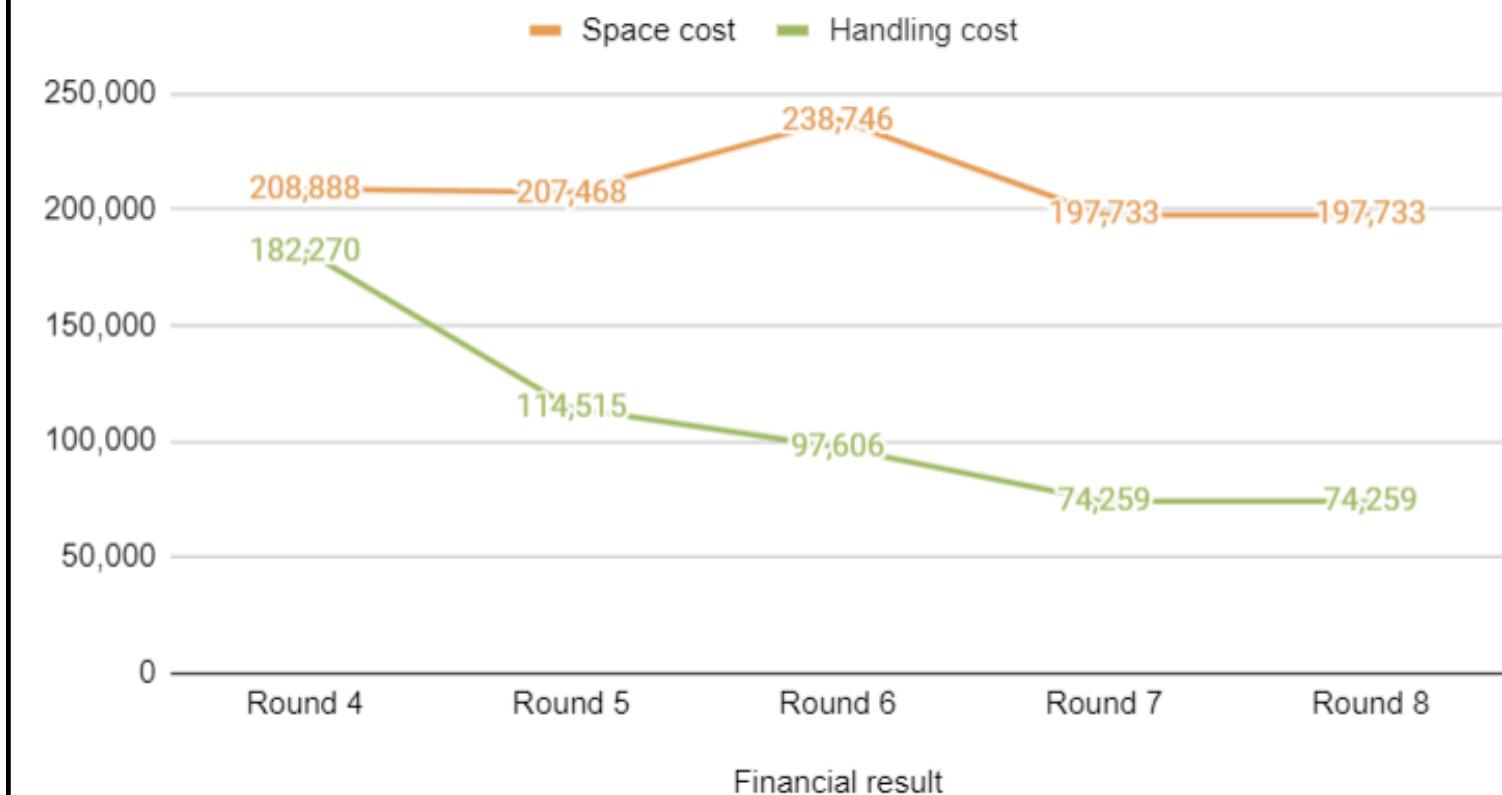
Outsource

- Remove cost of pallet locations
- Remove handling costs
- Less worry about predicting capacity
- Unpredictable, reliant

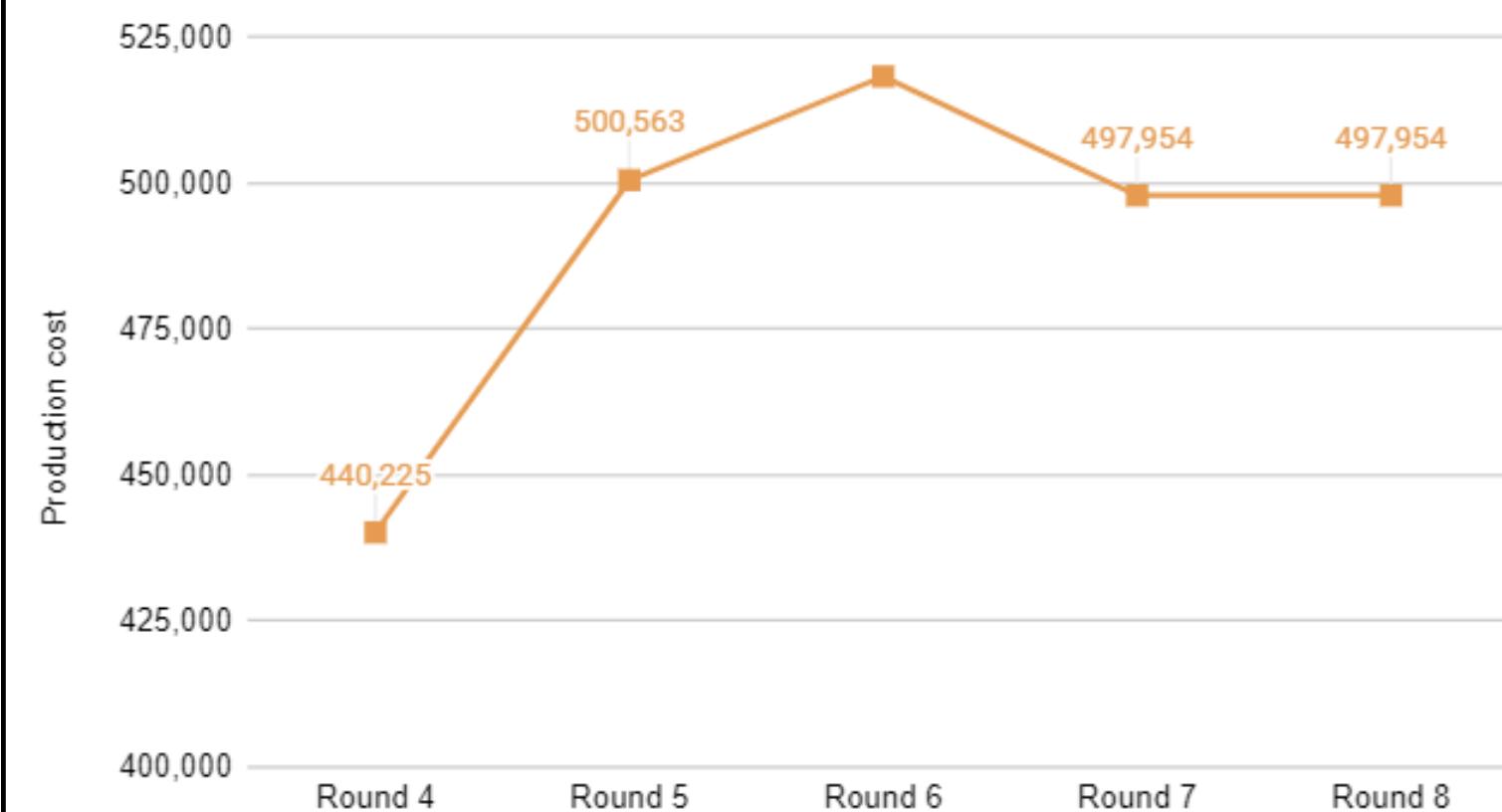
MCC with yoghurt drink manufacturer

- Potential similar shelf life, similar target customers, similar distribution channels
- Cost 5,000 per round
- Save customer on distribution costs --> Higher contract index

Space cost and Handling cost



Production line cost



SUPPLY CHAIN OVERVIEW



Frozen Period



Team Support

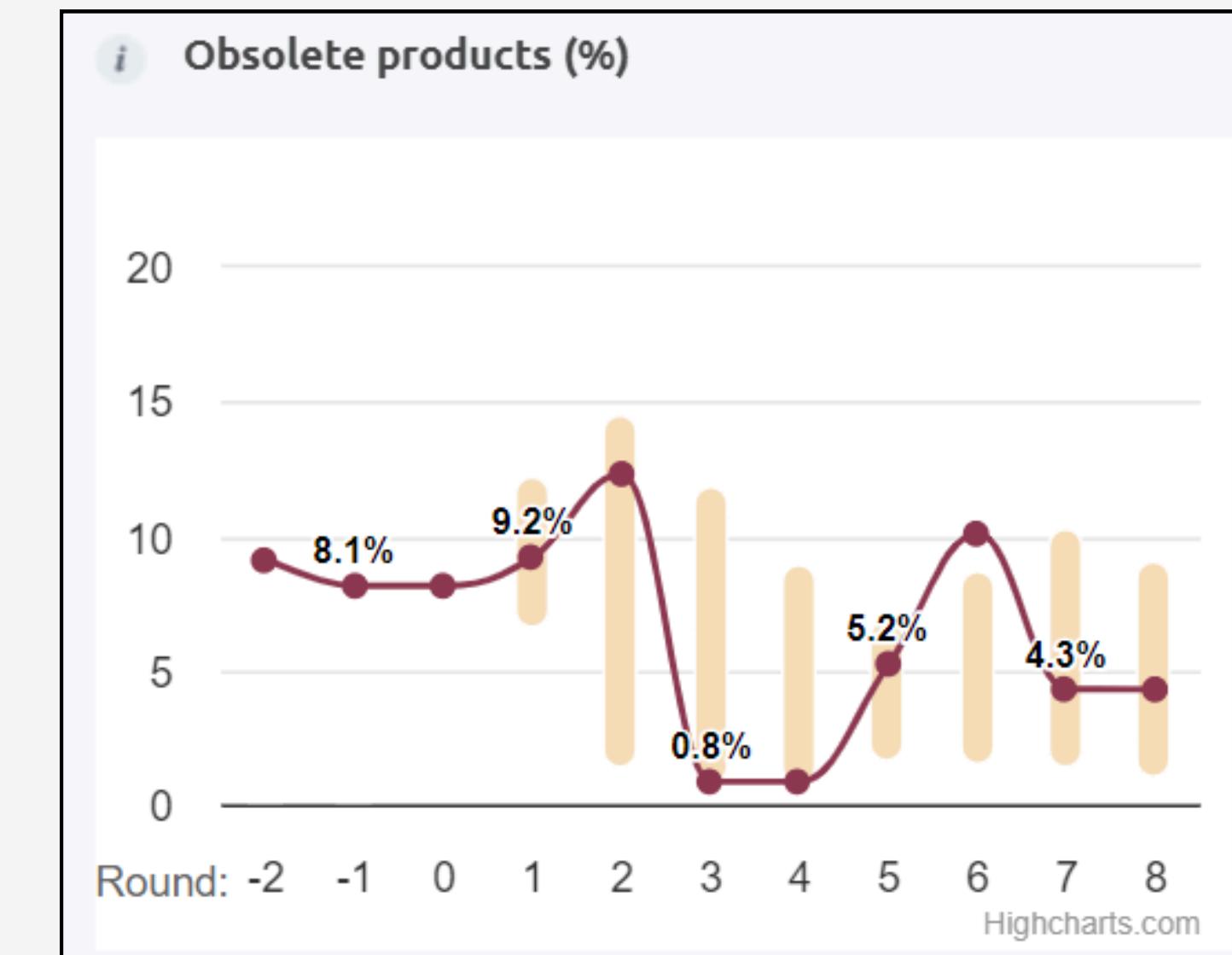
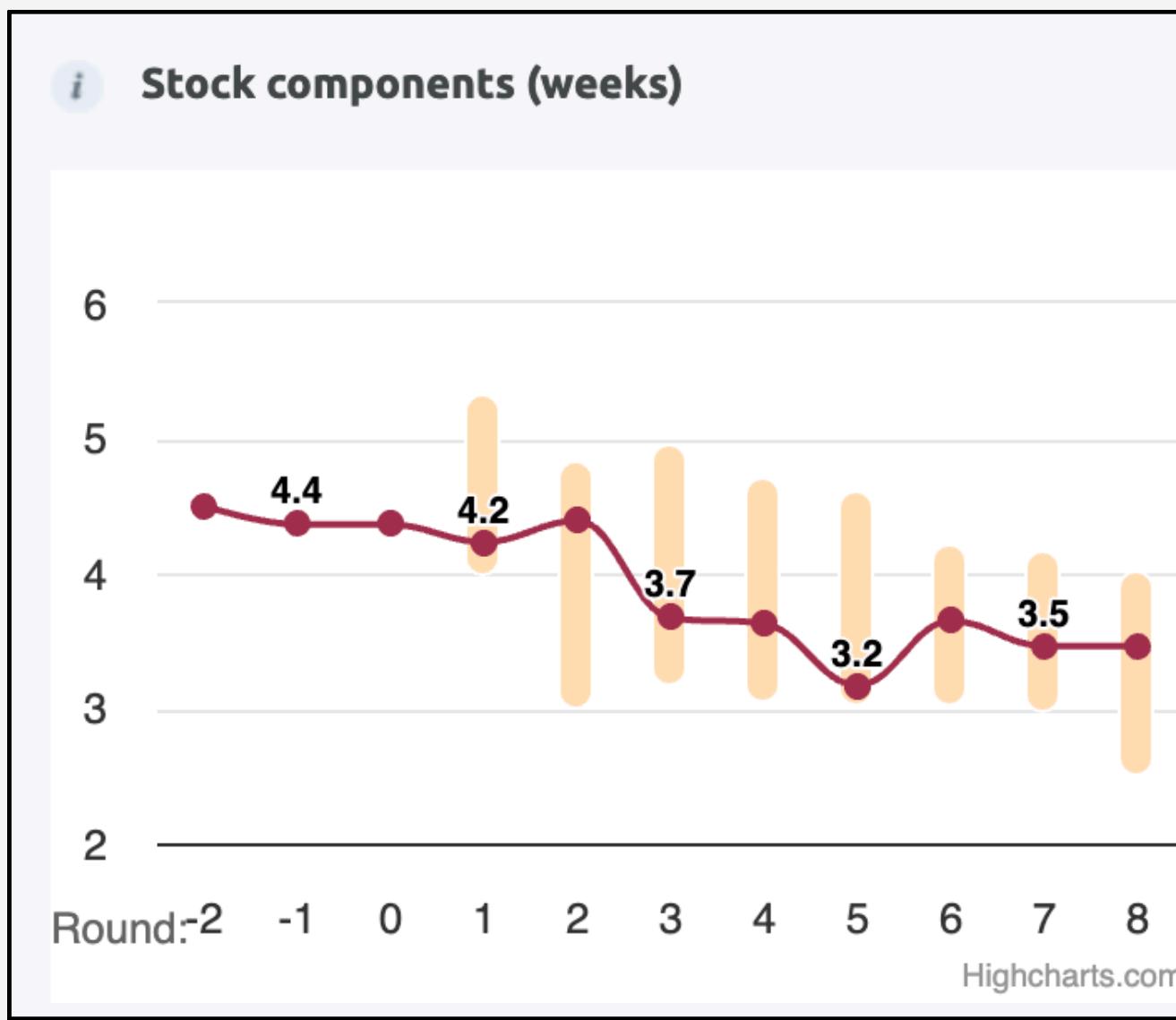
Optimize stock and inventory levels in order to provide the other VPs the numbers they need.



The Fresh Connection

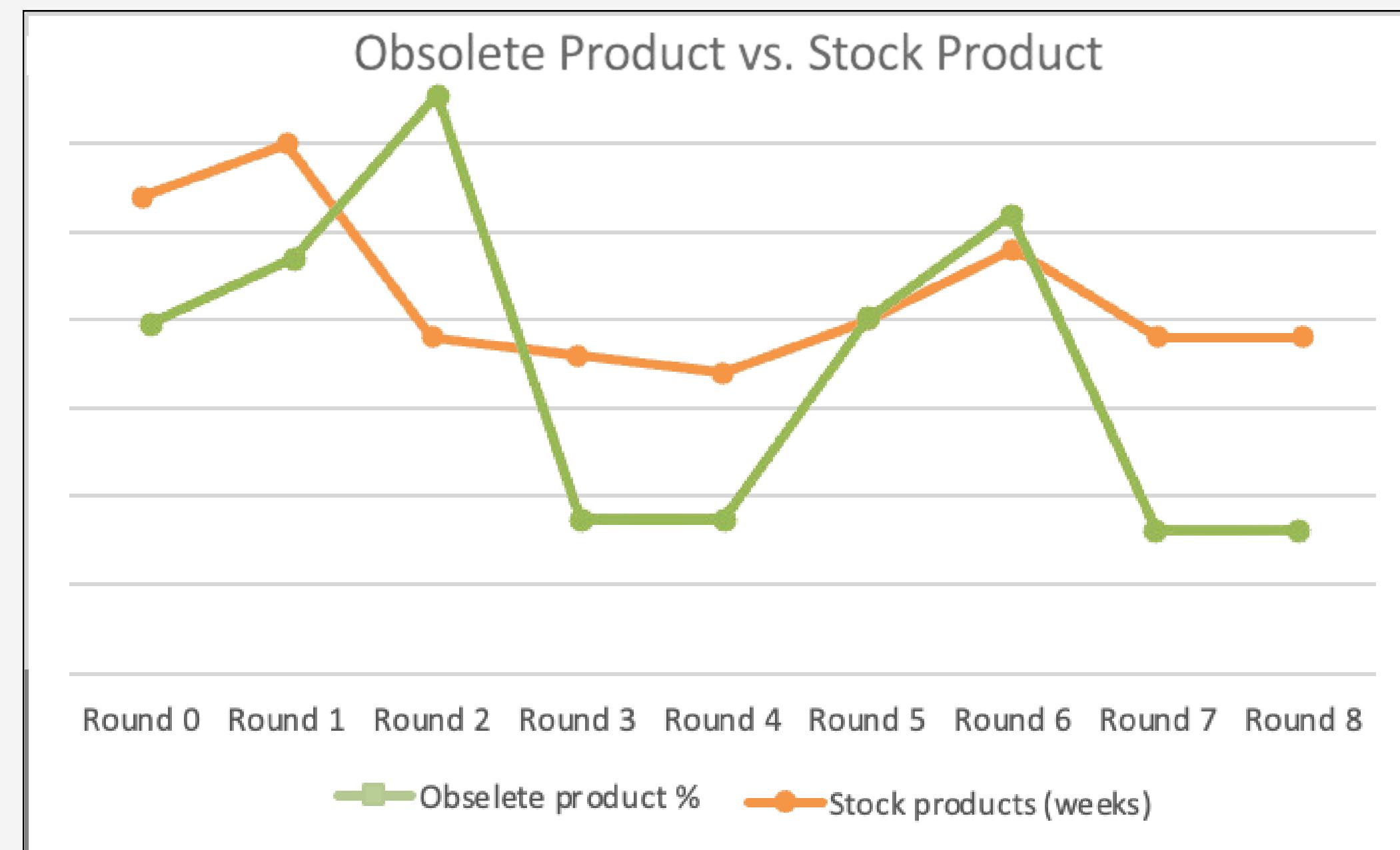
SUPPLY CHAIN

KEY KPIS



SUPPLY CHAIN

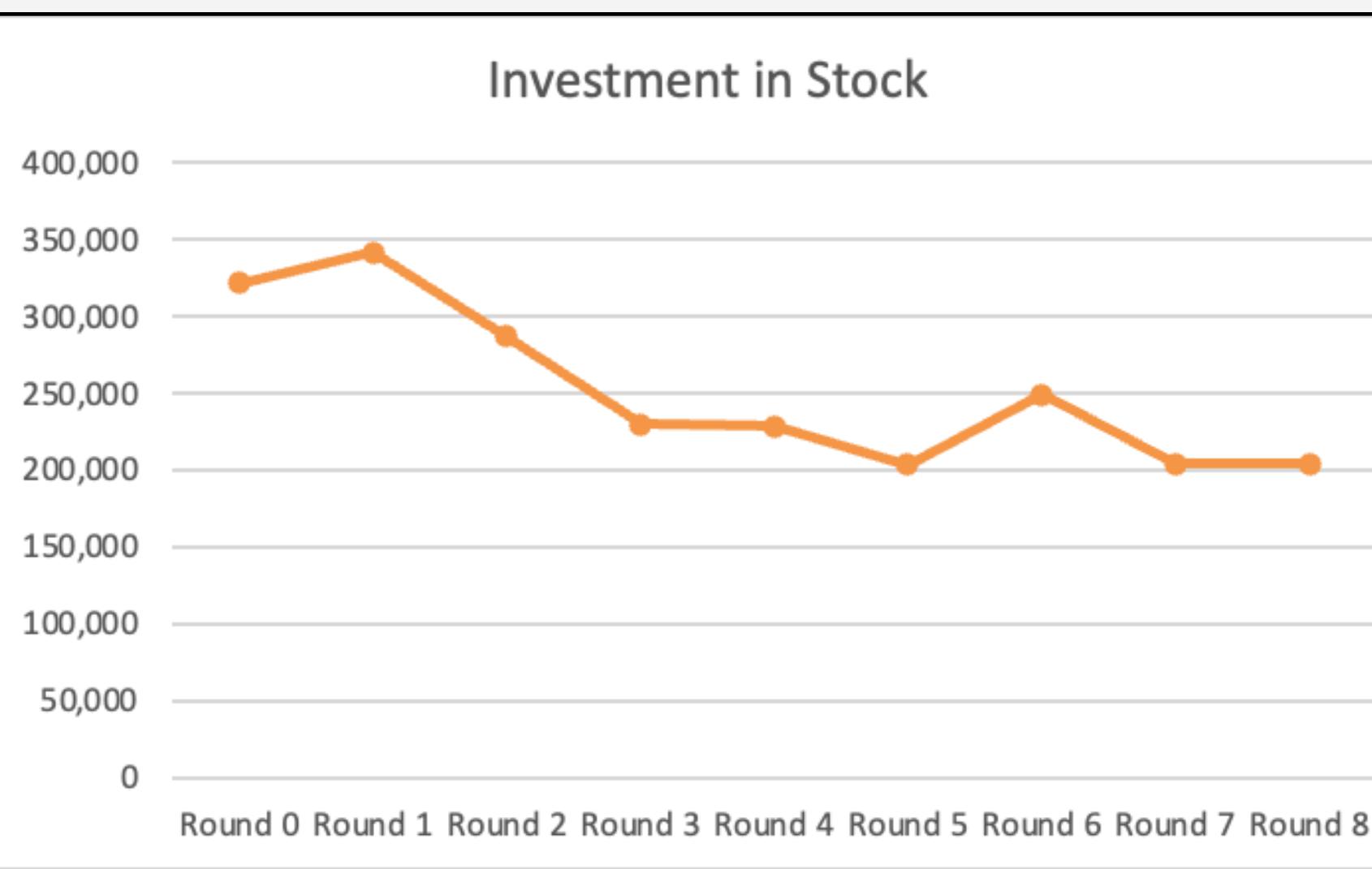
KEY KPIS



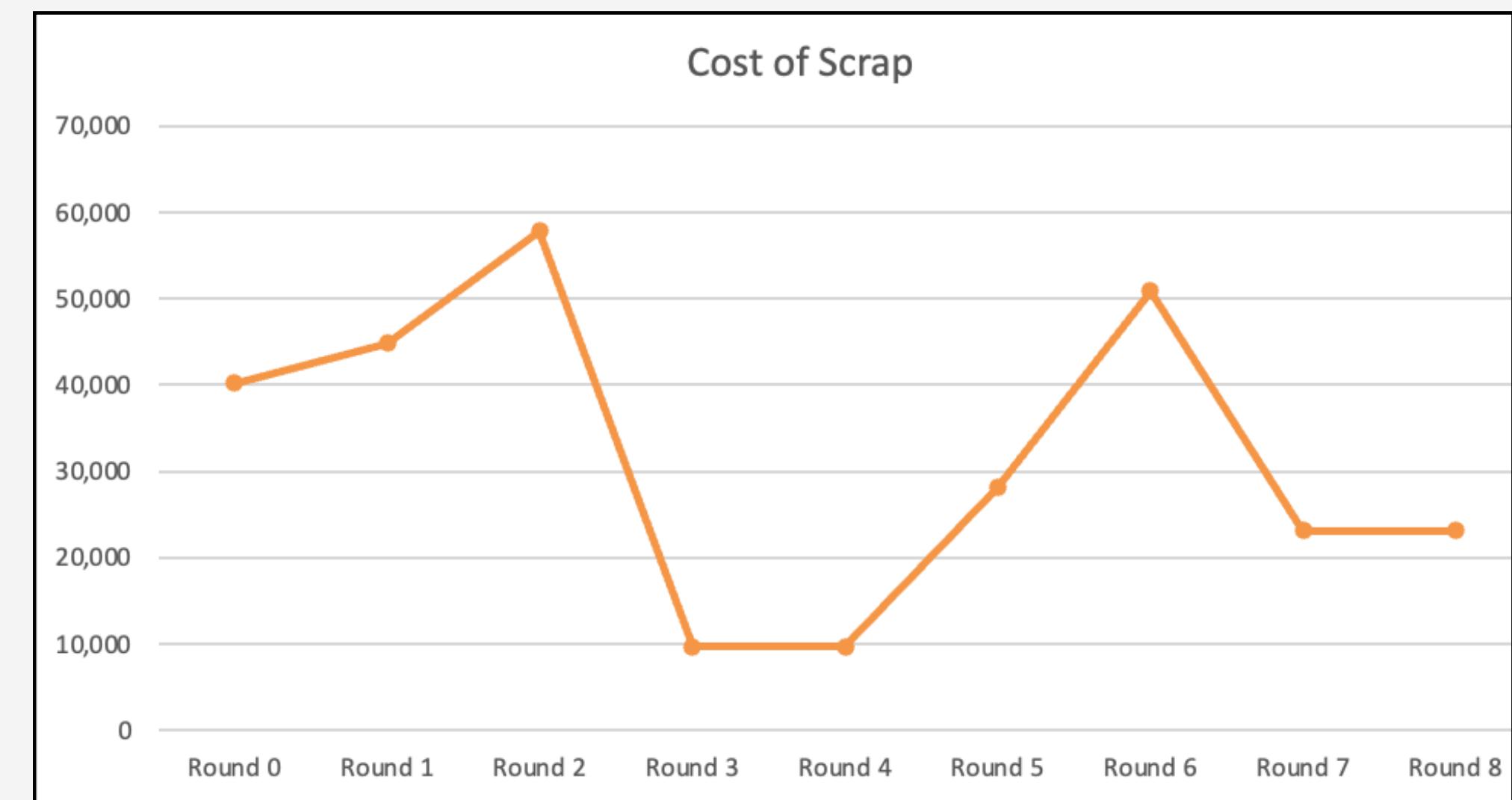
SUPPLY CHAIN

FINANCIAL RESULTS

Investment in Stock



Cost of Scrap





SUPPLY CHAIN

Round Decision Summaries:

Round 5

- Changed lot size
 - EOQ calculator
- Frozen period of 2 weeks
 - Higher shelf life
- Adjusted safety stock
 - Max / Average
- Adjust production interval as needed

Round 6

- Miniscual safety stock adjustments
- Other roles understanding new decisions

Round 7

- Obseletes from prior round
- Adjusted frozen period + production int. + safety stock
 - Off by .5 weeks - does have impact

Round 8

- No changes





SUPPLY CHAIN

Tradeoffs & Team Impact

Lower the frozen period + production int. + safety stock quantity by 1 week



Sales to negotiate 5% higher self-life



Higher contracted revenue

Potential penalties if service level fell short

Lowered component lot sizes



Operations decreased capacity



Less carrying costs



GOING FORWARD

- Improve relationship and growth potential with current customers
- Employ dual sourcing and VMI's
- Explore new markets



**THANK
YOU**

ANY QUESTIONS?



The Fresh Connection