

ECR Community Shrink & OSA Group

Waste Focus
June 2019

ECR Working Group on Waste

Food Waste: Working Group established in 2015

- Create new knowledge, tools and techniques for ECR members
- Benchmark and learn together at working group meetings
- Build definition around best practices and good collaboration

Problem to Solve - Size of Prize

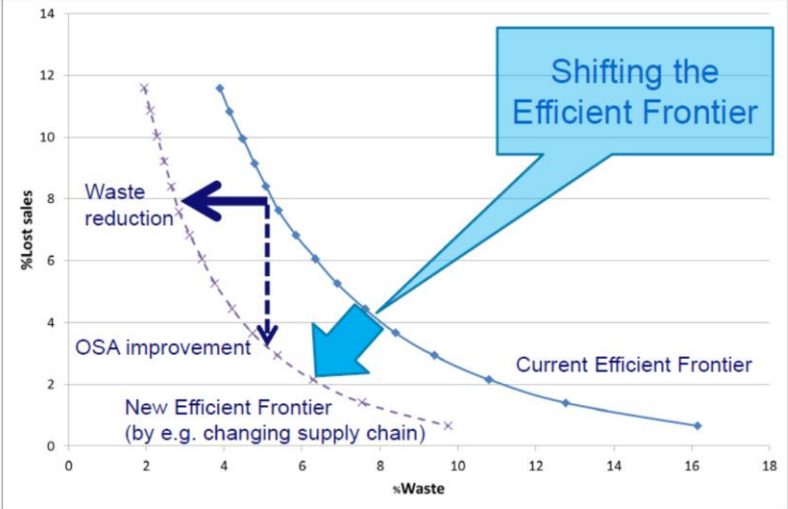
- Lost Sales (Profits) from Shelf Out of Stocks (0.78%) - Fresh
- Unknown Stock Losses (0.67%) – Waste not recorded
- Food Waste in Retail Stores (1.64% of Sales) – Markdowns / Throws

Participants

- Operations / Supply Chain/ Loss Prevention leaders – Ahold, Lidl, Tesco, Migros, Waitrose, Jumbo, Carrefour, Rewe, Asda, Sonae, Metro, etc
- Academics (Eindhoven, KLU Logistics Hamburg and Cardiff Business School)

ECR Research Linked Food Waste & OSA

Improvement projects



Prioritizing improvement projects

Project	%Waste Reduction	%OSA Reduction
Increase shelf life for the store with 1 day	37.8	0.0
Differentiate service levels = lower OSA with 4% only for ultrafresh (M<=7 days)	20.1	0.9
Differentiate service levels = lower OSA with 4% only for slowmovers (80% of assortment)	20.1	1.6
Lower OSA with 2% for all SKUs	16.7	1.7
Unpack all SKUs in DC (case pack size store is 1)	9.0	0.0
Delist 10% from the assortment (slowmovers, which results in 1.8% less sales)	8.5	1.8

All improvement projects were evaluated with the tool using all 27 stores

- $\%Waste_Reduction = 100\% \cdot (Waste_{Base} - Waste_{Project}) / Waste_{Base}$
- $\%OSA_Reduction = 100\% \cdot (OSA_{Base} - OSA_{Project}) / OSA_{Base}$

Members leverage insights to reduce waste

ECR Proposition

ECR delivers new insights, tools and techniques [that cost our members nothing] and promote greater collaboration to help our members serve shoppers better, at a lower cost, and in a more sustainable way

Case: Albert CZ

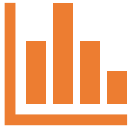
- Confirmed strong correlation between FCC and waste.
- Detected 608 problematic SKUs, based on $FCC > 1$.
 - Represent 6 mln EUR of waste (0.3% of sales), and
 - Ca. 10% of the assortment (varies per store).
- Solution: of the 608 SKUs, 358 are considered, resulting in
 - 65 Changed case pack sizes
 - 111 Delisted SKUs
 - 66 Other (piece picking, re-packing, etc.)
 - 116 No change possible
- Realized savings in 2016: 1 mln EUR (and potential for more).



2019 Work Plan Priorities

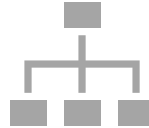
Publish	What does it take to collaborate white paper & self-assessment tool
Partner	With academia to develop a “size of the prize” tool for expiry date visibility
Create and deliver	2019 Waste Prevention Challenge
Organise	Two working group meetings
Build	Coalition and partnerships with Eurocommerce, CGF, EU, FMI, etc

[What does it take to] Collaborate Paper



Three years in the making

Focus group research with retailers & producers
Academic insights and pilots
Benchmark data collection



Focused on the Strategic Foundation to collaborate

To what extent does collaboration on food waste fit with your strategy? (Strategic Fit)
To what extent does your organisation have the capability and capacity to collaborate? (Capability)



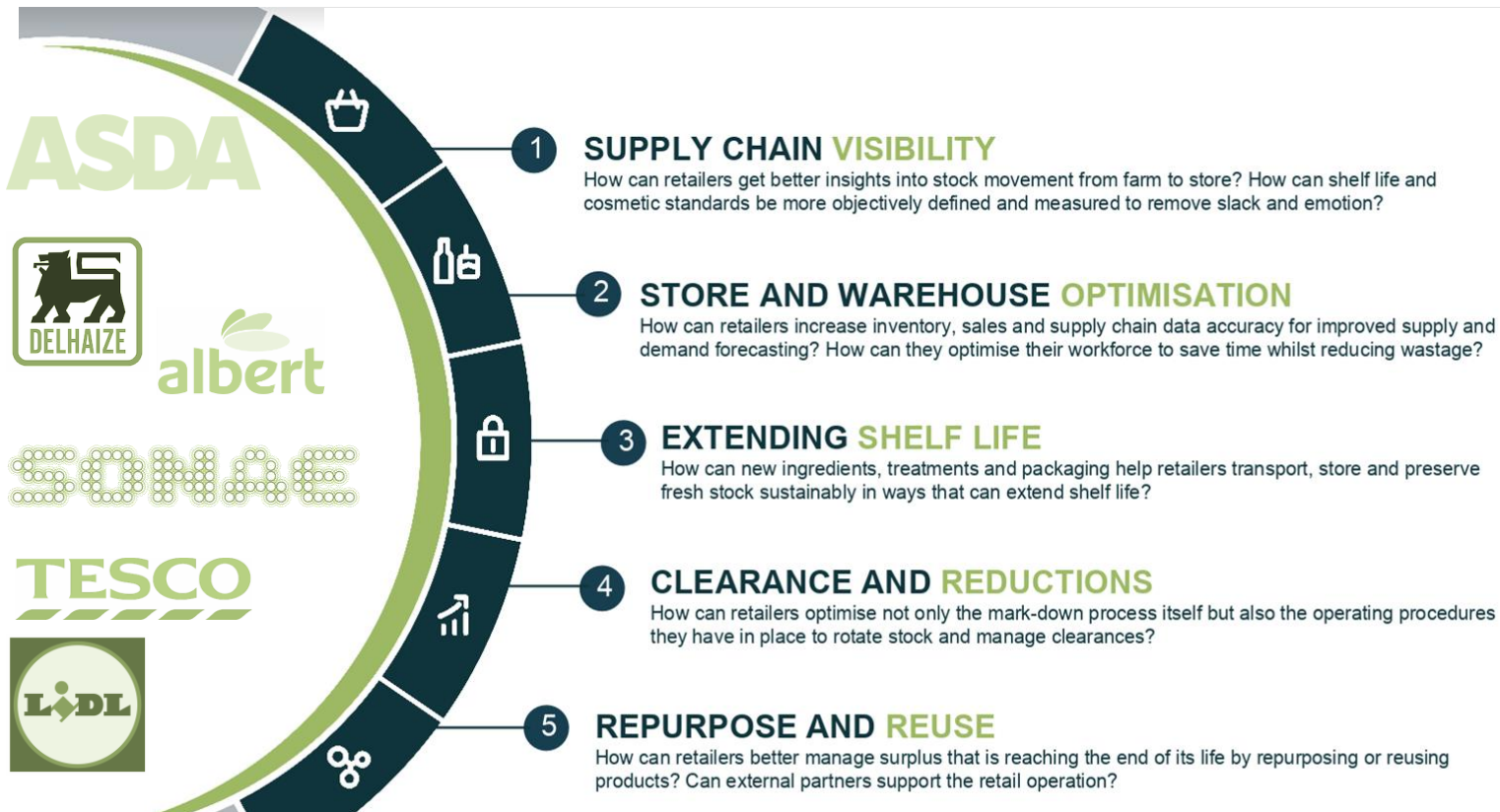
Paper Published

White Paper
Online Self-Assessment Survey
Excel based offline Self-Assessment model

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Five briefs, six sharks





The top five

E V I G E N C E
SENSORS™

whywaste

 **CONTRONICS**
dry misting

wasteless
Reducing food waste.

 **Too Good To Go**

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ECR Community Shrink & OSA Group

Dublin, 13-14 Nov
For retailers & producers



Agenda

Weds Nov 13th – start at 11am

- Intro's / Expectations
- Food Cloud Site Visit
- Retailer Host overview
- Store Visits and Review
- Innovation Challenge Review
- Speed Dating
- Surplus to Spectacular Evening

Thurs Nov 14th – close at 3pm

- Kroger – Power of Collaboration
- Academic Research Update
- Collaboration Case Studies - Suppliers
- Collaboration Model
- Expectation Reviews, Next Steps

Next Working
Group Meeting

November 13th & 14th -
Dublin





For More Info

Contact Colin Peacock