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*"A helping hand
in a better way"*



Improving OSA in Ireland -Sharing a supply chain improvement experience on moving OSA from low to high 90's - what every Supply Chain Manager needs to know!



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Valeo
FOODS
Food for Life



2010

Shamrock & Bachelors merged to form Valeo Foods



2011

Jacob Fruitfield Group acquired



2014

Rowse Honey added to portfolio



2015

Balconi (Italy) & Robert Roberts & Kelkin (Ireland) acquired



2017

Raisio PLC's Confectionery Division and Valdenza acquired



2018

Tangerine Confectionery acquired

[Explore our history](#)

Background & Context 2010- 2016



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- Period of rapid business growth by acquisition
- Staff Numbers 250 - 600
- SKU numbers 700-6000
- Supply Locations -100-250 globally
- Different IT Systems – ERP and Order Capture
- Different Processes & WOW.
- Different cultures & norms
- Cross Category & Customer Type with heavy promo activity
- Impacted Customer Structures as well as internal structures
- 15-20% of the ambient section of a typical major retail store
- Van Sales to DC deliveries- 4000 delivery points
- Combined service levels in low 90's

What this meant for OSA & Service Level Expectation

1

Major focus on service delivery and OSA as there was a concern that the business was growing faster than it's capability to maintain its service levels .

2

All aspects of the supply chain were therefore challenged and reshaped to meet these changing dynamics



Learnings

- Accepted that the customers measure of service is the only measurement in play.
- Be up front with customers about availability.
- Put a € value on lost sales opportunity in the business and consider a table such as over
- Communicate these findings across the business and established improvement targets

| Category | Percentage | Value |
|---------------------|------------|-------|
| Supplier Failure | 0.5% | €250K |
| Procurement Failure | 0.25% | €50K |
| Production Failure | 0.25% | €150K |
| Customer Failure | 0.25% | €75K |
| Operations Failure | 1.25% | €200K |



Learnings



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- Top Down drive
- Supply Chain own and drive the process
- Establish KPI's & Targets
- Consider bonus /incentives – individual and co wide
- Cross-functional team to drive
- Commercial buy-in is key .
- Weekly CS meeting with minutes and performance updates.
- Weekly call with major customers SCD and daily availability updates
- Collaborate with customers improvement initiatives
- -Go and engage with customers –they will help!

Learnings



Appropriate Stock levels are key and require a lot of attention.



Delivering high SL requires people with a passion for getting things right. (Retail is Detail)



People and their knowledge & experience are critical



Look at production planning and forecasting methods.



Consider investing in a forecasting tool where scale merits



Your suppliers are key to delivering your SL/OSA expectation –you must share this with them and you must have improvement plans in place with those that cause you to fail.



Where does Supply Chain sit in your organisation



Where possible locate relevant departments together



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Learnings



BY AND LARGE IF YOU GET YOUR PRODUCT TO YOUR CUSTOMERS LOCATION OR DC IN THE AMBIENT SECTOR THE PRODUCT TENDS TO MAKE IT TO THE SHELVES.



STORE AUDITS BY YOUR SALES TEAMS OR ENHANCEMENTS TO MERCHANDISING SERVICES CAN ASSIST IN IMPROVING OSA



AVAILABLE ADVANCES IN STORE BASED TECHNOLOGIES OR ACCESS TO CUSTOMER SYSTEMS CAN ALSO BE CONSIDERED.



WHEN A SUPPLY CHAIN BECOMES RELIABLE THERE ARE OPPORTUNITIES TO REDUCE STOCK LEVELS IN THE CHAIN THEREBY REDUCING STORAGE COST AND WORKING CAPITAL FOR YOU AND YOUR CUSTOMER.



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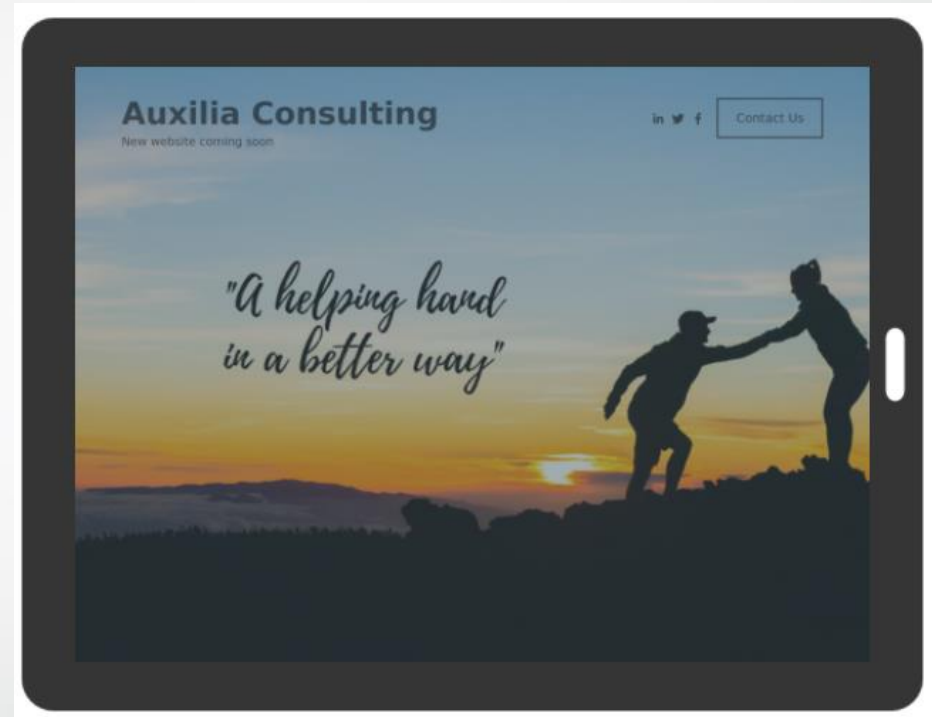
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