



The Chartered
Institute of Logistics
and Transport

CILT The NZ Supply Chain Response to COVID -19

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Foodstuffs South Island

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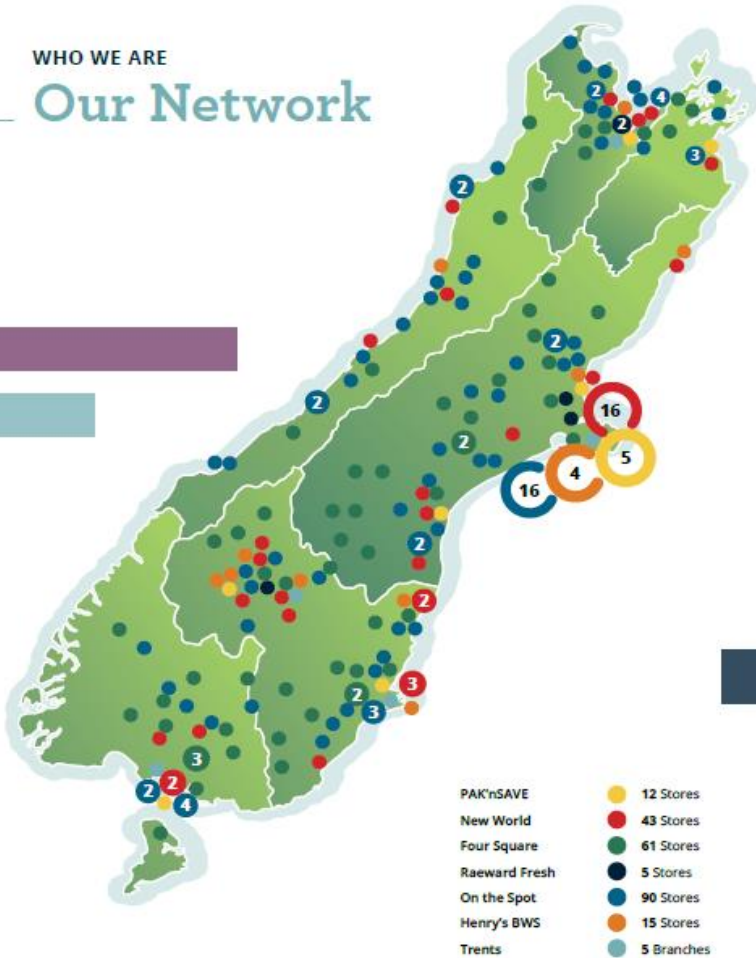


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Introduction

WHO WE ARE

Our Network



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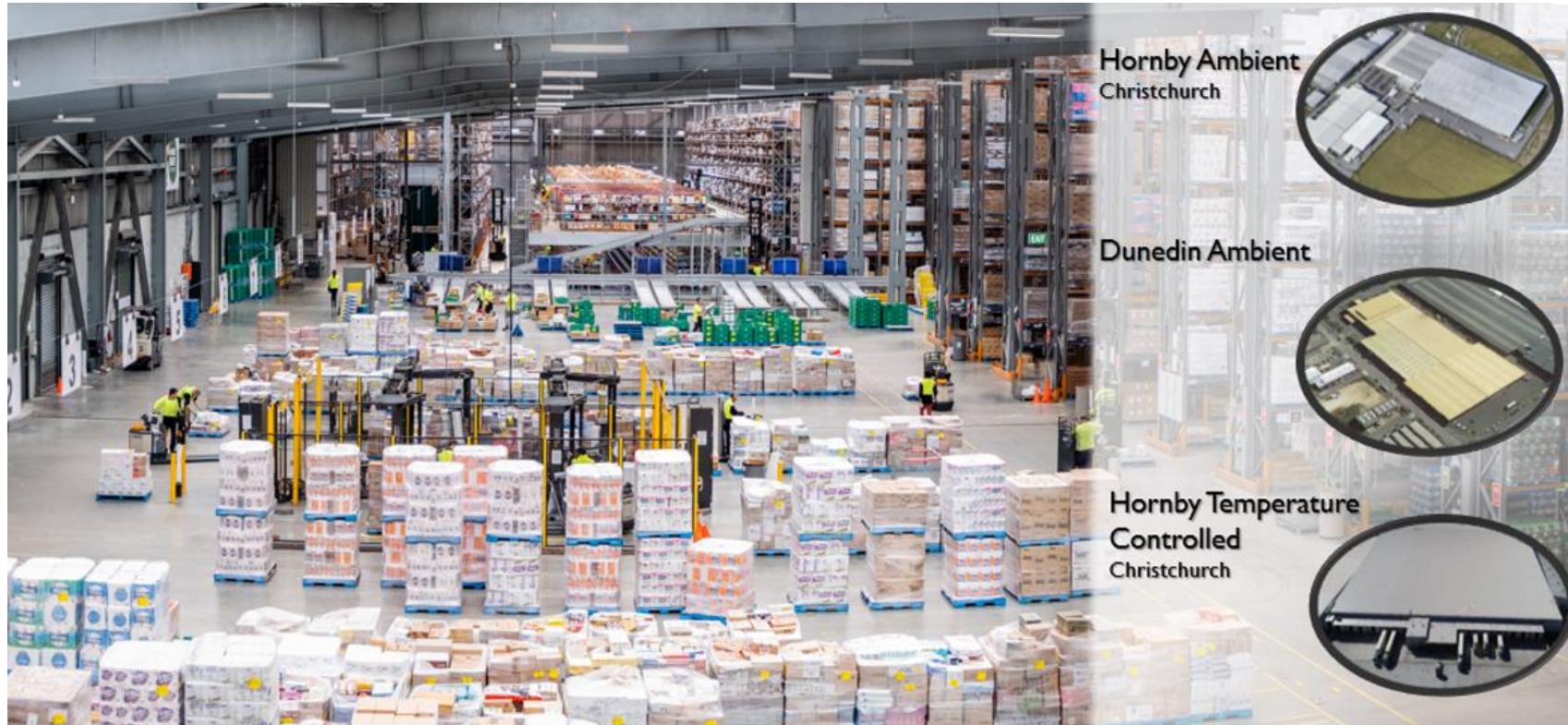
- South Island based cooperative
- 226 retail Stores
- 6 main brand formats

OUR MISSION
**Feed the
South Island**



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Supply Chain



- 3 Distribution Centres in Christchurch and Dunedin
- Internal Transport company – TSI Logistics



FSSI Supply Chain Numbers



- 1.2 million + cartons delivered per week



- 1,200 + staff



- Range 19,000 + skus



- 21,000 + pallets delivered per week



- 2,800 + members/customers



- 85,000 kms travelled per week

COVID-19 Impact

Retail impact

- High demand following alert level announcements
- Trade fluctuated from record highs to record lows
- Consumer habits changed overnight
- Retail stores operated under challenging conditions
- Key focus
 - Look after our staff and customers
 - Ensure customers can get what they need or can we provide a substitute?

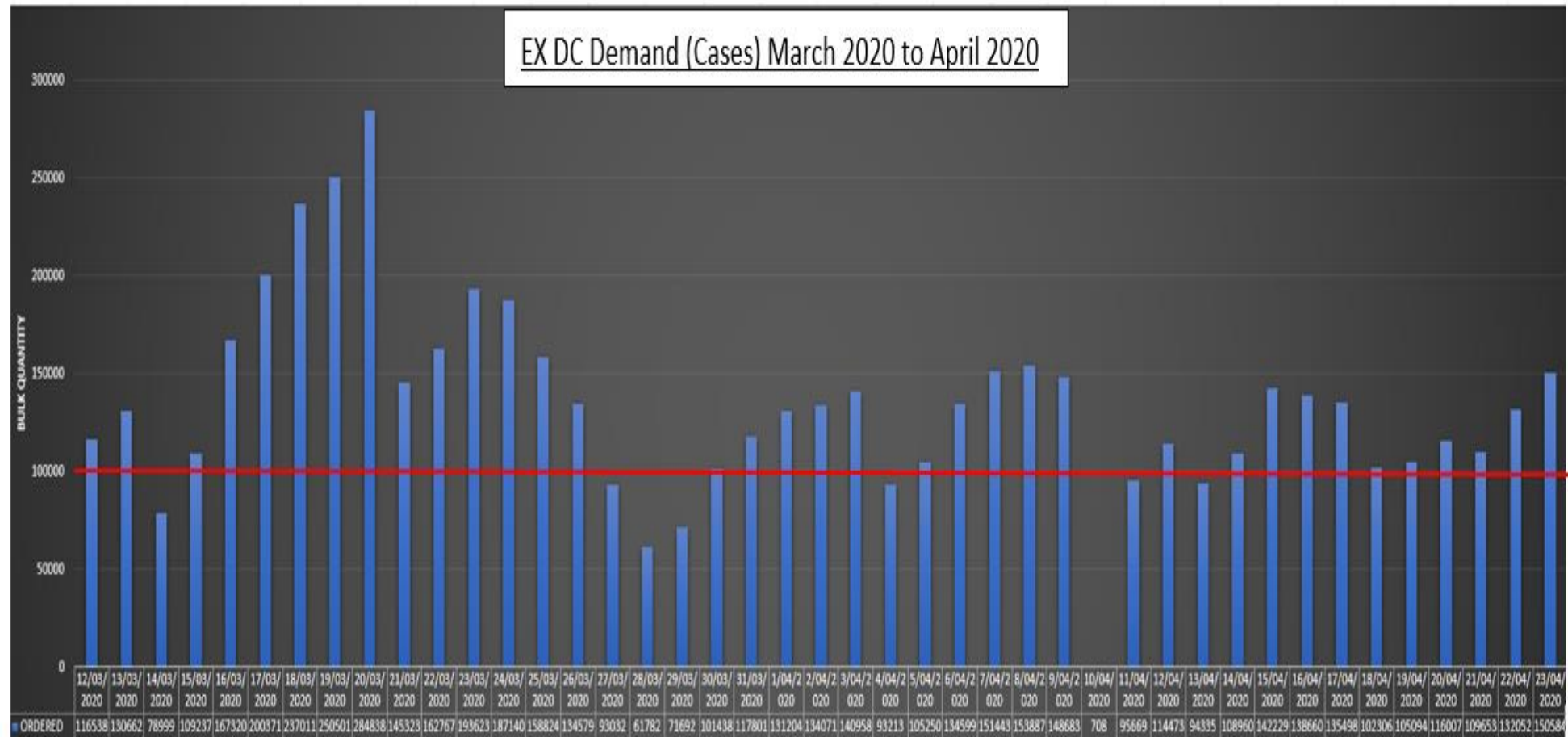


COVID-19 Impact

Supply Chain Impact

- Significant demand in condensed periods

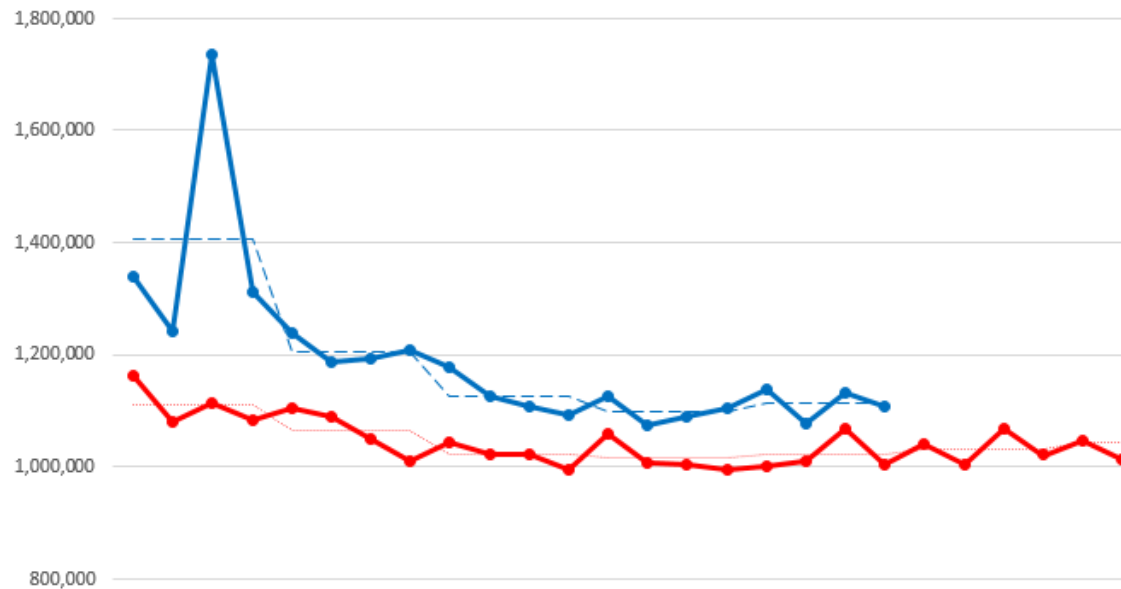
EX DC Demand (Cases) March 2020 to April 2020



COVID-19 Impact

Supply Chain Impact

- Some product and categories came under significant pressure
- Demand volumes changed by region, store and banner groups



Our response

Formed a Supply Chain response team

- Clear and defined roles were established
- Key objectives and priorities were identified
- Worked in closely with the company response team – daily updates
- Response team determined the strategy – Operations then executed the plans



Our response

Our staff and Supply Chain Operations

- Communication to our staff and suppliers was key
- Number one priority was the wellbeing of our people
- Immediate implementation of hygiene processes and social distancing practices
- We supported our staff with additional remuneration and food bags



Our response

We determined our output capability

- Identified resource and available capacity by operational area
- Redeployed non critical roles

Increased focus on forecasting

- Prioritised requests from the operations team
- Allocated dedicated resource
- Developed additional reports
- Adapted existing reports to meet COVID-19 impacts and requirements



Initiatives implemented

What we did

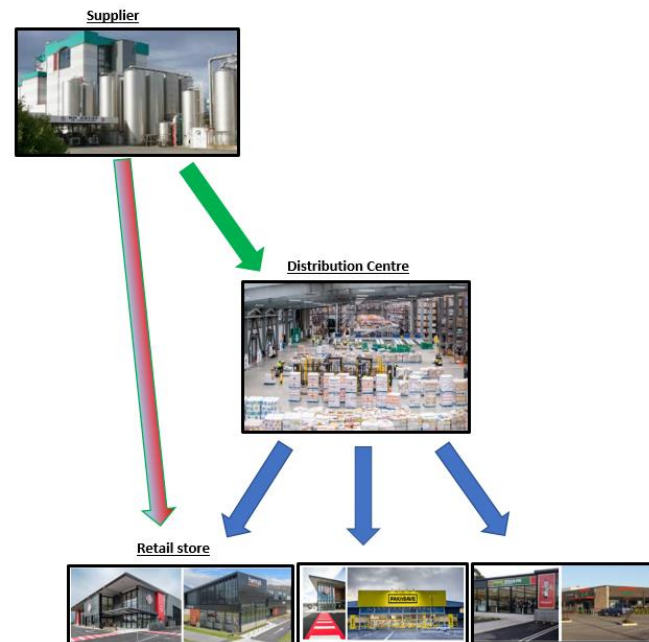
- Enhanced retail order settings to improve efficiencies
 - Rounding profiles
 - Order frequency
 - Minimum order quantities



Initiatives implemented

What we did

- Shifted some supply from ex DC to direct to store
 - Looked for quick opportunities to move high volume product
 - Considered capability within the network to manage direct deliveries



Initiatives implemented

What we did

- Implemented a reduction in the range of product available
 - Prioritised key and critical articles
 - Refreshed the list daily based on article availability
 - Ensured the supply of priority articles



Initiatives implemented

What we did

- We reduced DC activities to core and critical tasks
 - Some support and strategic tasks went on hold
 - Non critical projects were parked
 - Gave focus to supporting DC and Transport daily operations



Key learnings

- Ensure a clear and defined structure to manage the response
- Prioritize your activities and look for quick wins
- Accurate data and visibility is critical



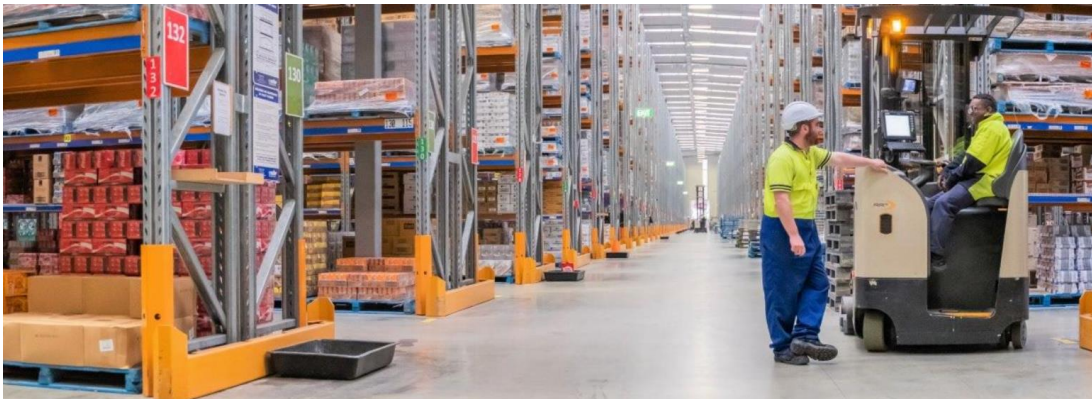
Key learnings

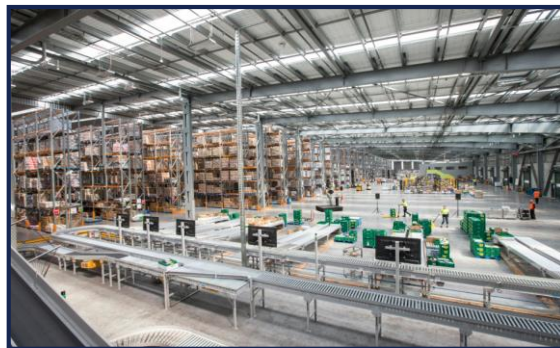
- COVID-19 fast tracked some efficiency improvement that were already work in progress
- Increased awareness has challenged some existing business processes – still WIP
- Online meetings and Webinars can be very effective!



Key learnings

- Ensure your key people can 'get on the balcony' to assess the situation and make the right calls
- Keep your team 'swimming in their lanes'
- Focus on the 'how' and the what will follow!
- You need the right people, good structure and clear processes!





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