

WEST COAST CONSOLIDATION SUCCESS STORY

Fresh Avenue led a study that looked at the benefits of consolidation of fresh produce items for a US based supermarket chain with 120+ locations and 2 distribution centers.

The Problem

Category buyers of West coast citrus, soft fruit, and vegetables were struggling with out-of-stocks, spoilage due to overstocks and mis-rotations, warehouse space optimization, difficulty maintaining a wide SKU, and increasing “fill in buys” from 2nd or 3rd hand distributors which were causing a downgrade in quality, freshness, and brand integrity.

What we Found

- Delayed Transit Times because of long wait times at vendor facilities
- Over 6 million pounds of un-realized freight capacity per year with 32 trucks per week at \$10,400 per truck
- Inventory waste and shrink
- Increased spot market buys at top dollar market prices

Solution

Freight optimization through consolidation taking 2x per week purchases to 3-4. This resulted in increased replenishment, higher inventory turns, reduced out-of-stocks, improved freshness, and shrink/stales. Excess capacity was recaptured and reduced almost 4 total trucks each week. This also reduced operational strain on the receiving crews, reduced local buy-ins at peak market rates, and ultimately increased quality on the shelf and lost store sales.

LESS ENVIRONMENTAL IMPACT
BY REDUCING



192

TRUCKS YEARLY



YEARLY SAVINGS OF

\$1.5MM

THROUGH
CONSOLIDATION



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