

FRESH AVENUE

What does Consolidation Look Like for Retailers?

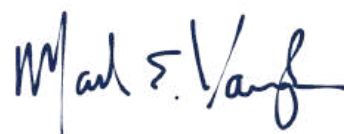
A Note from Fresh Avenue's Managing Partner

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Hello and thanks for taking time to review this booklet. A key part of this communication is a run through of two consolidation success stories of retailers like you. You'll find them in the first couple pages. They show how a well-executed consolidation program drives freshness, reduces shrink, and opens access to a wider assortment of products including specialty and organic items. This can also help with your sustainability initiatives with consolidation's ability to optimize truck fills, reducing your environmental impact. In addition to these benefits, consolidation also reduces costs.

Please reach out directly to Brian Rooney, our Director of Operations and Supply Chain, or myself with any questions you may have, and I hope you find our information on consolidation helpful to your critical work!


Mark Vaughan



Fresh Avenue is a team of supply chain specialists that focus on produce sourcing and refrigerated logistics services like consolidation and delivered programs. What makes us different is our strategic focus on direct supply and a network of independent warehouses in major growing areas that are our hubs for consolidation and produce distribution.

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
- Significant local wholesaler buys at top dollar market prices

Solution

Freight optimization through consolidation moving 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 captured and reduced almost 4 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.

YEARLY SAVINGS OF

\$1.5MM

THROUGH
CONSOLIDATION

LESS ENVIRONMENTAL IMPACT
BY REDUCING



192

TRUCKS YEARLY



PACIFIC NW CONSOLIDATION SUCCESS STORY

Fresh Avenue led a study that looked at the benefits of consolidation of fresh produce items for a premier US based supermarket chain with 500+ locations and a complex supply chain.

The Problems

The pain points we examined were in the increased time and miles it took to pick up boutique and specialty items from a large number of growers in a large geographic region in the Pacific NW.

What we Found

Long truck wait times, distance between pick-ups inherent to NW tree fruit varieties and shed locations, adverse winter weather were all conditions that drove up transit times and increased volatility on inbound transit times. The result of this was chaotic inventory management practices and reduced emphasis on variety of product offering, vendor concentration on spend, and inability to introduce new, highly seasonal variety available at many different pick up points around the PNW growing regions.

Solution

This retailer prides itself on variety, quality, and specialty items, boutique offerings, and we were able to maintain these core attributes through consolidation. Using a specialized plan to coordinate and consolidate a customer's supply chain resulted in \$3.5 million in savings. This also brought in greater efficiencies, shorter transit times, improved freshness, and lower administration costs.



YEARLY SAVINGS OF
\$3.5MM
THROUGH
CONSOLIDATION



MAINTAINED A
SUPPLY CHAIN OF
SPECIALTY GROWERS
AND GROWER
RELATIONSHIPS



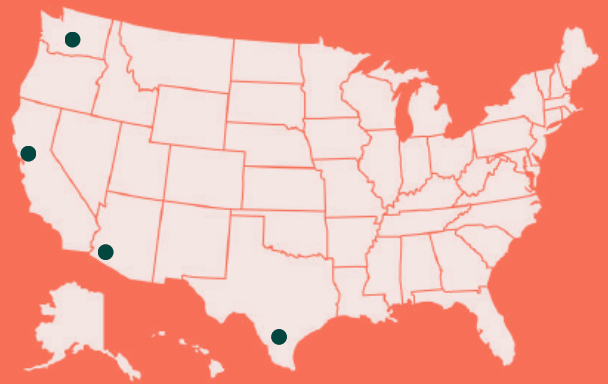
Produce consolidation allows you to optimize each part of your fresh supply chain.

The Consolidation Advantage with Fresh Avenue

Fresh Avenue consolidation makes it easy to build your consolidation loads with the exact produce you need at the right frequency. This helps you keep the end customer happy with variety and exceptional quality.

- Consolidation Warehouses in Salinas, Yuma, McAllen, and Yakima
- Opens you to over 100 growers / producers in our program
- Less inventory on hand means less capital tied up
- Maintain your direct relationships with growers
- We handle in-bound and transfer logistics
- Aggregate and coordinate all customer products from vendors if required
- Palletize, inspect, wrap, stack, to maximize truck utilization on your outbound shipments
- Optimize your truck fill
- Buy seasonal, specialty, and LTL produce
- Sustainable freight solution by improving truck utilization
- Trucks on road faster means fresher produce
- Creates opportunity to re-negotiate rates with your carriers

Strategically Placed Coolers in US Growing Regions



Salinas, CA

Yuma, AZ

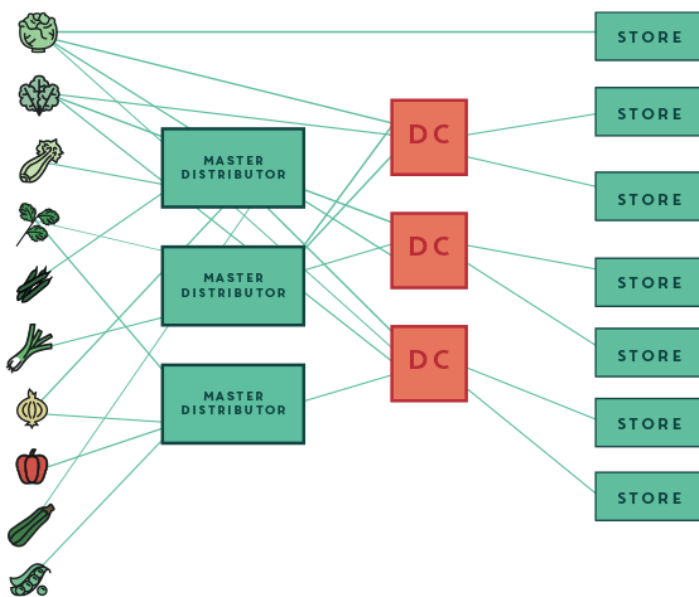
Yakima, WA

McAllen, TX

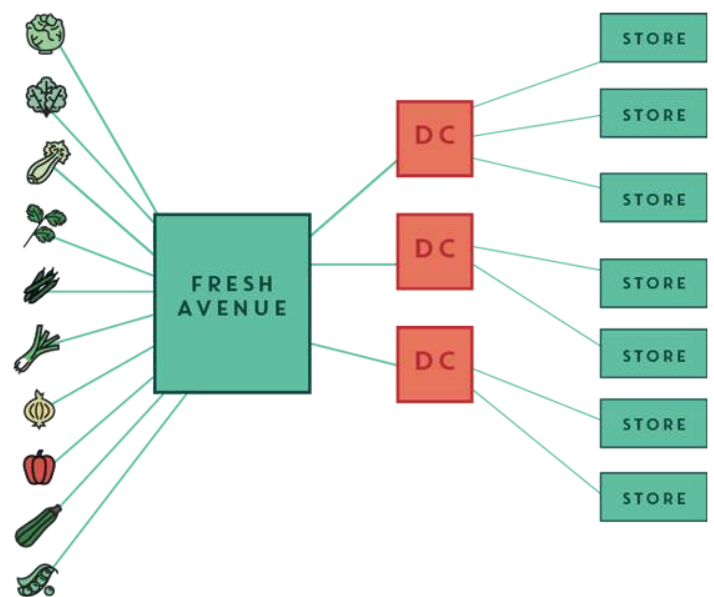
Produce consolidation allows you to get more variety in each load and optimizes every shipment.

Our Brand of Consolidation

When we talk about consolidation, it is not just a supply chain strategy that means more work for our customer's to piece together, but we partner with you in bringing optimization to your existing supply chain and the vendors you are purchasing from so that unnecessary time and miles are eliminated by bringing everything to a central warehouse, then sending out to your stores exactly what you need at the right delivery interval.



Without Consolidation



With Consolidation

Consolidation is a cumulative approach that delivers cost, time, and administration savings for each link in the supply chain.

Supply chain success depends just as much on who you work with as how you build your delivery programs.



What makes Fresh Avenue different is our team streamlines the customer experience through product quality, cost savings, adding value, and delivering our signature excellence!

FRESH AVENUE



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