

Case Study

End-to-End Value Chain Analysis

Background

Our client is a leading provider of fresh prepared food (FPF) in the United Kingdom, with a growing presence in the United States and China. With over 20,000 employees in 45 locations, customers include well-known UK grocery retailers and leading international food brands.

Challenge

The project objective was to identify implementable margin improvement opportunities in a range of ready meals supplied to a major retailer through changes to physical practices, processes, systems and behaviour.

Solution

It was agreed that an opportunity existed to design an operating model which achieved a lower cost to serve whilst also meeting and exceeding existing quality and service expectations.

Working collaboratively with teams from both the manufacturer and retailer totalling over 30 stakeholders engaged, Libra Change completed a detailed desktop analysis of the entire supply chain. Quantitative analysis of the supply chain was supported by observations and interviews with key stakeholders to challenge existing custom and practices affecting not only the ready meals category but the wider chilled and short shelf lie supply chains into the retailer.

Five key focus areas were identified where immediate benefits could be realised: Raw Material Sourcing, Product & Process Value Engineering, New Product Development Process, Store Waste Reduction and Supplier Performance Management System. A programme of work was defined and agreed to be jointly delivered by both the manufacturer and retailer.



Results

-  A 4-year supply deal was agreed between supplier and retailer
-  Benefits exceeding £10M were identified and committed to results plans
-  Changes to “A” list ingredient supply were agreed
-  Non value-adding activities were identified for removal
-  NPD process redesigns were defined and agreed