

Toolkit Explainer:
**Winning in Summer,
Winning Together**

Improving Supply Chain Product Availability

Created October 2015, updated July 2024



About us

- NZFGC **Supply Chain Working Group** serves as a platform for suppliers and retailers to collaborate, enhancing industry-wide supply chain focus through best practice sharing, process development, and mutually beneficial efficiency improvements.
- The group has representatives from FSNI, FSSI, WWNZ, and our NZFGC member suppliers.



The WISWT Toolkit

This Toolkit:

- Builds on the ECRA Winning in January Toolkit aimed at improving in stock positions over key seasonal times
- Has been reviewed and developed further within the New Zealand context
- Recently updated, July 2024
- Provides guidance for improving product availability and delivering improved shopper satisfaction in the summer period
- Is an adjunct, not an alternative, to detailed internal and trading partner planning and deployment for January
- Offers a clear and simple framework for planning and optimising a key sales period

The Summer Situation

- Public holidays and annual leave
- Seasonality and production shutdowns
- Less reliable transport offerings
- Coming up to financial year end



Poor performance means...



Suppliers

- Lost sales
- Increased distribution costs
- Production overtime / downtime
- Inventory management issues



Retailers

- Out of Stocks = missed sales
- Service levels to stores drop
- Missed / late deliveries increases
- Transport performance issues
- Supply issues

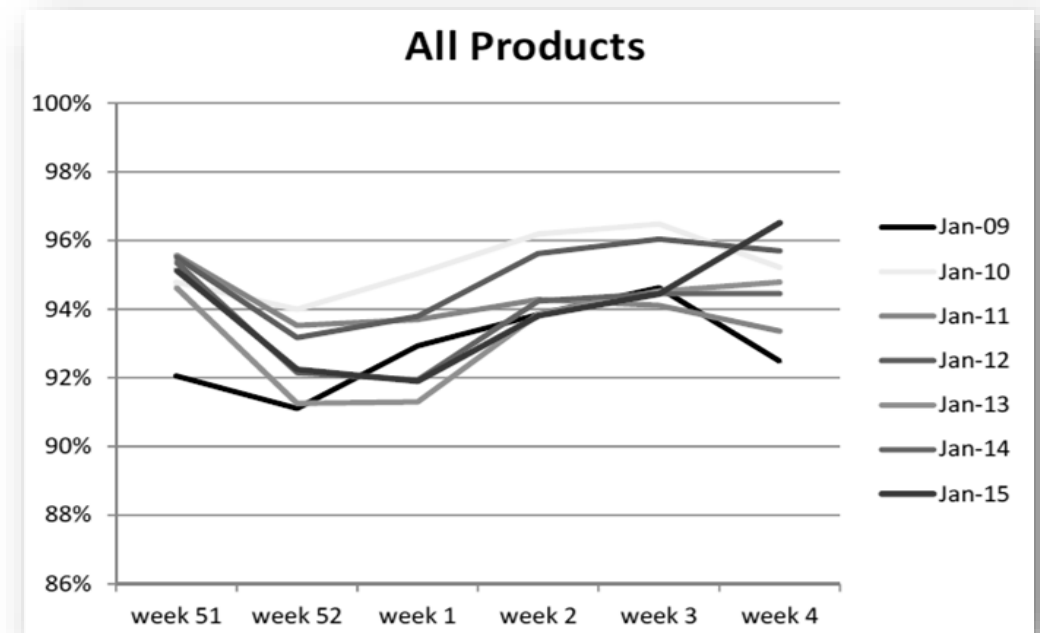


Customer

- Decreased loyalty to Supplier and Retailer
- Brand switching
- Going without / delay purchase
- Frustrated shoppers

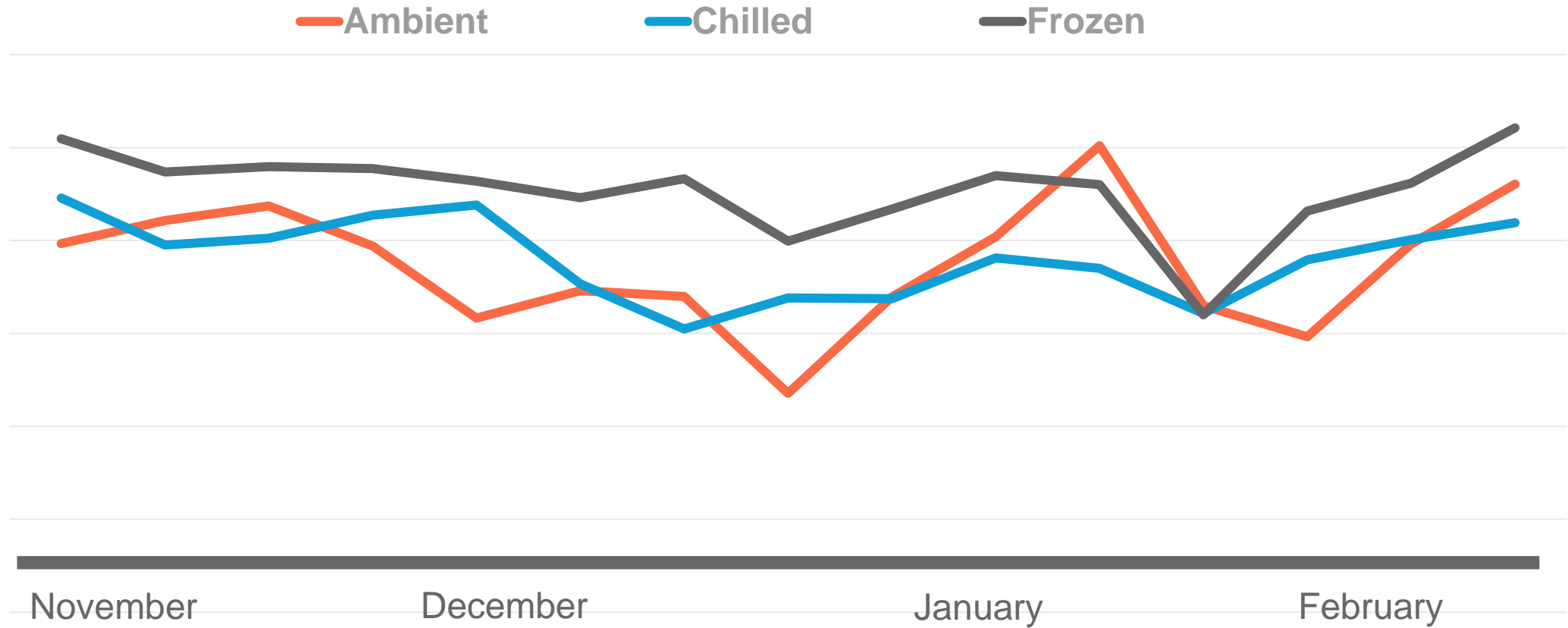
Historical Performance pre-2015

- The general trend is a 4% to 5% reduction in service level across the industry over the January period
- There are significant sales growth and customer service improvement opportunities in January



*Chart shows consolidated Ambient Grocery and Perishables results.

Trend data



How to “Win in Summer”

This is aimed at improving in stock positions in January, but also applies to other key seasonal events too.

- **Plan, Plan, Plan**
- Focus on **One Number**
- Daily **Responsiveness** to issues
- Understand your **Trading Partner**
- Operational **Flexibility**
- **Communication** Plan completed ahead of time
- **Contingency** Plan discussed and agreed upon

Toolkit Explainer:
The Checklist & how to use



The Checklist download at www.fgc.org.nz/summertoolkit

Vendor Checklist			
<i>The following checklist provides the basis for determining the plan with vendors noting the key inputs to the process of determining ONE NUMBER for a fact based approach that will deliver, facilitate strategic decisions, and translate into shopper and consumer centric approach, historic detail, growth opportunities, and activity plans. The joint planning and the number is a fact based approach that will deliver, facilitate strategic decisions, and translate into common understanding and agreement on the growth. On agreement, the number is reviewed by all parties to ensure business processes will deliver, facilitate strategic decisions, and translate into common understanding and agreement on the growth.</i>			
Lever	Activity	Status (RAG)	
Review Last Year Step 1	Review LY Performance	Complete the review template and include additional information below	TBA
	Sales (Value)	Analyse and quantify missed opportunities	TBA
	Product and Category Performance	Assess category performance, insights and expectations Provide the growth/decline by product grouping	TBA
	Promotional and Marketing Plans	What worked well and should be repeated; what needs improving Review promotions that increase sales by banner Assess the plan and the impact on sales	TBA
	Instore Execution	Review promotions that increase sales by banner	TBA
	New Products	Any impact of NPD OOS on service levels	TBA
	Service rates (DIFOT)	Analyse and quantify missed opportunities Previous performance and root cause analysis	TBA
	Promotional Plan	Request promotional timings well in advance and discuss flexibility	TBA
No. Days of stock	Review the requirement to modify by SKU for the summer period Consider inventory turns and inventory holdings Review number of days stock for 'at risk' products Seek detail on your supply chain plans during public holidays	TBA	
Shelf Life	Planning to ensure finished product is receipted at distribution centres with appropriate shelf life/date code availability	TBA	

Retailer Checklist					
<i>The following checklist provides the basis for determining the plan with vendors noting the key inputs to the process of determining ONE NUMBER for a fact based approach that will deliver, facilitate strategic decisions, and translate into shopper and consumer centric approach, historic detail, growth opportunities, and activity plans. The joint planning and the number is a fact based approach that will deliver, facilitate strategic decisions, and translate into common understanding and agreement on the growth. On agreement, the number is reviewed by all parties to ensure business processes will deliver, facilitate strategic decisions, and translate into common understanding and agreement on the growth.</i>					
Lever	Activity	Who	Status (RAG)	Date Due	
Review Last Year Step 1	Review LY Performance	Review missed opportunities last year by specific vendor Where there any specific issues that need to be addressed TY	CatMan		
	Promotional and Marketing Plans	What worked well and should be repeated; what needs improving	CatMan		
	New Products	Identify if there was an impact of NPD OOS on service levels	CatMan		
	Category Performance	Review the performance of the total category Review current/anticipated growth by category for this vendor	CatMan		
	Inventory Holdings	Review if there was any impact due to inventory policies	Buyer		
	Planning by Vendor	Review Supplier Targets	Seek alignment between retail and supply plans and objectives.	CatMan	
Promotion Plans		Category promotional plans (volumes and timings) for all brands Review activity and tactics to increase sales Provide vendors with visibility of promotional timings Discuss promotional flexibility and response times Establish early warning notification for unplanned changes or additions Discuss if it is additionally support i.e. in-store, advertising, catalogues	CatMan		
Substitutions		Discuss alternative products for OOSs if substitution is necessary	CatMan		
Price Point		Discuss and agree on price points, consideration to events and the impacts of varying price points	CatMan		

The Checklist

- **Step 1: Review Last Year**
 - 8 Levers
 - 14 Activities

- **Step 2: This Summer - Planning & Execution**
 - 33 Levers
 - 47 Activities

Vendor Checklist					
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Step 1: Review Last Year

Levers & Activity to review:

- **Sales (Value):** Analyse and quantify missed opportunities.
- **Product and Category Performance:** Assess category performance, insights and expectations and provide the growth/decline by product grouping.
- **Promotional and Marketing Plans:** What worked well and should be repeated; what needs improving, review promotions that increase sales by banner and assess the plan and the impact on sales.
- **Business Alignment:** Understand the extent to which the business demand & supply plans aligned to deliver on success last year, identify any gaps and put in place actions to resolve.
- **Instore Execution:** Review promotions that increase sales by banner.
- **New Products:** Any impact of NPD OOS on service levels.
- **Service rates (DIFOT):** Analyse and quantify missed opportunities and previous performance and root cause analysis.

Step 2: Planning & Execution

An example: Knowing which business unit has an 'out of office' on

Lever: Business availability

Activity: Clarify with business units the intended availability/shutdowns over critical periods (manufacturing, warehouse, distribution/3pl/ importation, customer service, support, IT), communicate and negotiate at risk availability.

Assign to each activity:

- Status (**Red**, **Amber**, **Green**)
- Due Date
- Progress/Issues
- Who is Responsible/Accountable/Consult/Inform

Step 2: Planning & Execution

Another example: Knowing how to contact who is on deck and when

Lever: Staff availability

Activity: Develop and share a communication matrix, include substitute contacts and out of hours contacts

Assign to each activity:

- Status (**Red**, **Amber**, **Green**)
- Due Date
- Progress/Issues
- Who is Responsible/Accountable/Consult/Inform

Step 2: Planning & Execution

Another example: Keep logistics in the know

Lever: Transport and Warehouse Planning

Activity: Publish the demand plan into the transport/warehousing models

Qualify the required volumes and timings

Understand Retailer plans for the critical last weeks in December, first weeks of January and weeks impacted by public holidays

Assign to each activity:

- Status (**Red**, **Amber**, **Green**)
- Due Date
- Progress/Issues
- Who is Responsible/Accountable/Consult/Inform

Step 2: Planning & Execution

Another example: Keep logistics in the know

Lever: Transport Providers

Activity: Engage early with providers and 3rd-party providers to ensure requirements, volumes/timings are understood

Develop communication requirements and matrix, to ensure fast reaction to issues of capacity / timing etc

Assign to each activity:

- Status (**Red**, **Amber**, **Green**)
- Due Date
- Progress/Issues
- Who is Responsible/Accountable/Consult/Inform

Toolkit Explainer:
Best Practice Principles



Delivering superior availability

Area	Action
Confirm business availability	Confirm critical business functions operating & appropriately staffed in during lead up & over holiday period; Including customer service, production, distribution, transport and 3PL facilities.
Ensure supply matches demand	Confirm and integrate promotion plans. Assess supply capability against total demand expectation. Understand and manage demand/supply risk.
Evaluate imported product, raw materials and storage	Appropriate quantities of imported and long lead time product available against demand expectation, including finished goods, raw materials and packaging. Appropriate storage capacity is available for higher stock levels.
Production capacity, stock building and shutdown	Production capacity scheduled to meet demand expectation, with flexibility to respond to demand variability. Adequate stock levels built and available to cover any shutdown periods, including demand contingencies.
Business alignment throughout Christmas period	Supply chain capability & capacity tested to manage/distribute elevated demand & stock levels. Distribution/Transport plans by customer pressure tested and cascaded internally. Forums organized for critical business functions collaborate regularly on demand/supply position, ensuring high availability and timely management of supply risks/issues.
Alignment of supply chains, up and down stream	Collaborate with suppliers and customers to ensure appropriate plans/capacity exists to receive, hold and move products against elevated demand and stock levels.
Christmas is not just December	High availability continues throughout January to maximise sales opportunities, not just throughout December

Planning for Summer

- One set of numbers provide a **common language** and used horizontally across the business departments and with trading partners as the basis for decision making
- These should be vertically integrated such that reports translate directly to **planning level activity**



Checkpoint

- *Does a change in the demand plan translate to changes in purchasing and production requirements?*
- *Do changes to purchasing /procurement plan link back to financial projections of expenditure and inventory?*

Planning for Summer



Checkpoint:

- Although January has a range of specific attributes and this Toolkit has been designed to deliver an improved product availability for this month the detail provided is equally applicable to the remainder of the year
- The January plan should be a subset of an overall summer seasonal plan

The Plan - One Number

THE
PLAN
ONE
NUMBER

- This is a plan for the **key milestones** delivering excellent availability for Summer.
- It details **specific goals**; a considerations and checklists for use by suppliers and retailers at each stage.
- The degree to which the **engagement** process with trading partners is undertaken will be determined by the trading partners.
- It is **dependent** on factors such as product and category risk, Supply Chain complexity and review of previous results by supplier and retailer.

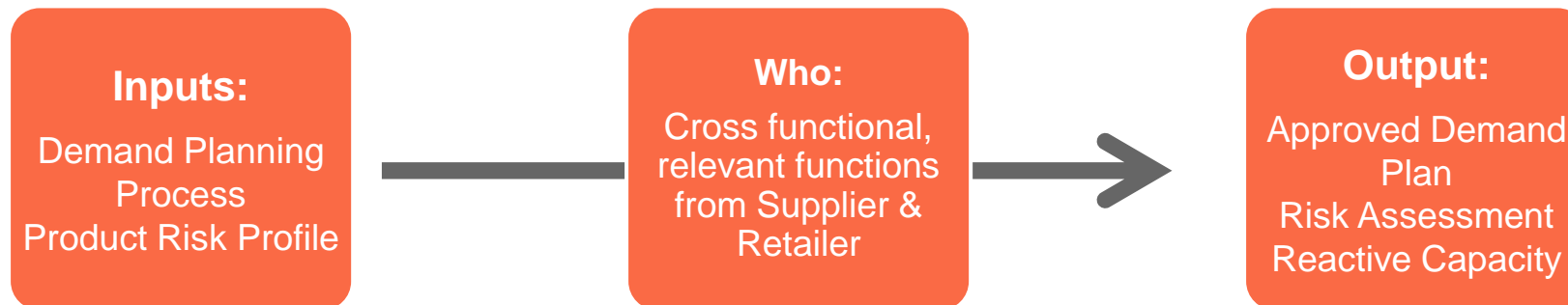
Demand Review

Product/Category Risk Profile

- Identify products that are susceptible to issues and are at greatest risk of experiencing issues that drive non-availability
- Understanding the level of risk facilitates prioritizing and strengthening contingency plans for such products

Demand Side Checklist

- Incorporates all demand side inputs and identifies the proposed sales volumes and timings
- This should incorporate the outputs of a supplier's demand planning process and consider the product risk profiling and ensure demand and supply are in balance and the customer demands are met



Supply Review

- The purpose of the supply review is to create an achievable supply plan
- It is based on the agreed demand plan by both Retail and Supplier
- This involves review of supplier capacities and detailed procurement, manufacturing, and logistics plans
- Key emphasis on the challenges presented by January but also other seasonal events within the year



Communications Plan

- A key part of the initiative is **open communication** between the trading partners
- Plan to “over communicate” with each other
- **Prepare** the communications early and gain input and feedback from key stakeholders
- Discuss and agree on **what success looks like**
- **Review progress** regularly during the plan
- De-brief and compile **key learnings** for next time

COMMUNICATION PLAN
Assess KPIs

	Checklist	Completed
Supplier	Issued Supplier Closure Schedule	
	Supplier Delivery Capability communicated	
	Provided a Supplier Contact List for supply issues	
	Notified Retailer of any bulk delivery options	

	Checklist	Completed
Retailer	Issued DC Goods Receipt Hours	
	Notified of any stock takes affecting Suppliers	
	Provided a Retailer Contact List for supply issues	
	Notified Supplier of any bulk delivery contracts	

Further Information

For more information or if you have any questions, please contact:

admin@fgc.org.nz

Further information can be found at:

<http://www.fgc.org.nz/summertoolkit>

Let's make this *stocked* Summer the best yet!

Supplier and Retailer planning is critical to getting a steady summer supply, so shelves are stocked. The 'Winning in Summer, Winning Together' programme supports supply chain success, with product availability.

Make this summer the best yet – get the toolkit today!



Download the Toolkit

> Visit www.fgc.org.nz/summertoolkit



Complete the Checklist

> Input data, assign activities, consult



Need further info?

> Get in touch: admin@fgc.org.nz

NZFGC Supply Chain Working Group:

