
Sell More, Waste Less Survey

Round Table Workshop, Eindhoven

June 2016

Study Aims

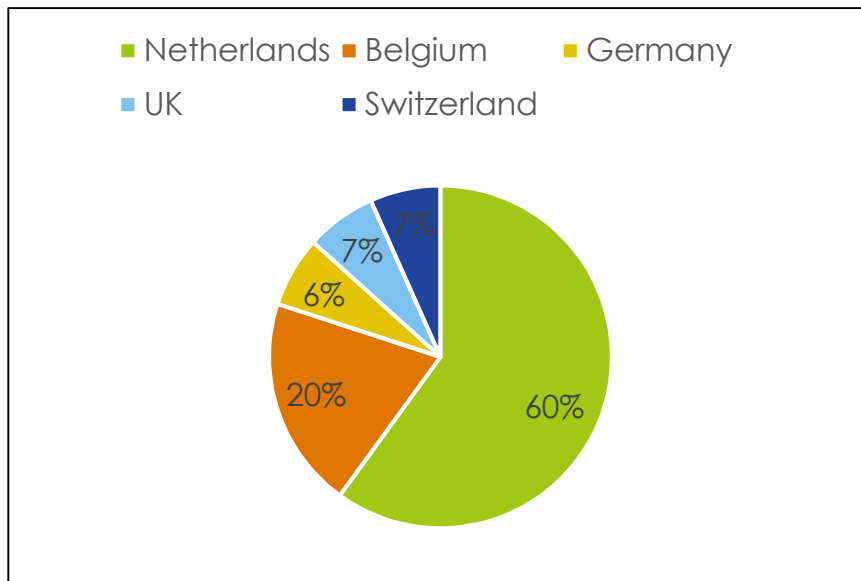
- Measurement
- Management
- Intervention Priorities

Method and Sample Size

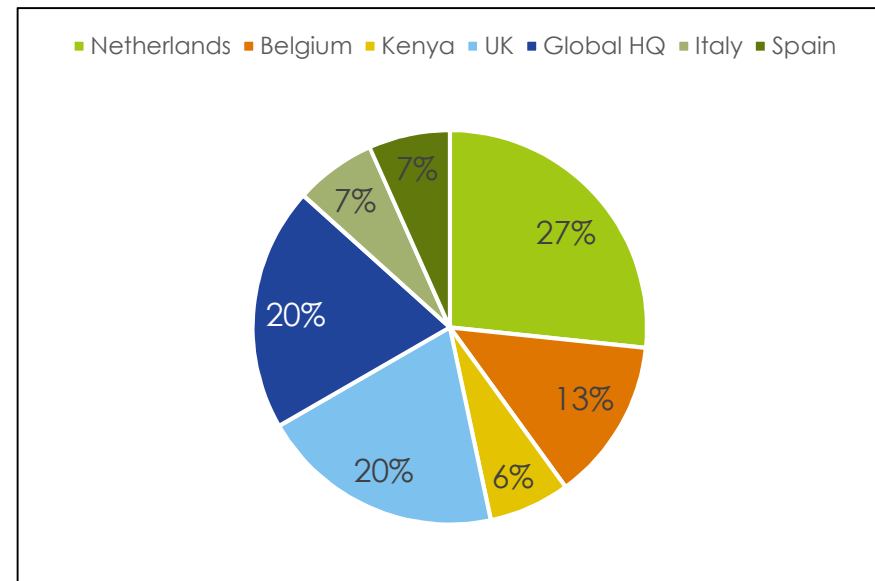
- Online survey sent to:
 - Delegates attending today
 - LinkedIn contacts of Karel Donselaar
 - ECR Nationals
- Data received from 16 retailers and 16 Fresh Suppliers.
 - Retailers
 - 5 countries
 - 23,703 Stores
 - Fresh Suppliers
 - 6 countries, 3 Global HQ
 - 37 Production / Processing Sites

What country / scope of operation?

Retailers:



Fresh Suppliers:



What Function?

Retailers:

| Answer Choices | Responses | |
|--|-----------|-----------|
| Buying / Category Management | 18.75% | 3 |
| Store Operations / Stores | 0.00% | 0 |
| Supply Chain / Logistics / Replenishment | 31.25% | 5 |
| Loss Prevention / Profit Improvement | 25.00% | 4 |
| Corporate Social Responsibility / Sustainability | 6.25% | 1 |
| Human Resources / Legal / Finance | 0.00% | 0 |
| Marketing / Product Development | 6.25% | 1 |
| Quality Control / Food Safety | 0.00% | 0 |
| Other (please specify) | 12.50% | 2 |
| Total | | 16 |

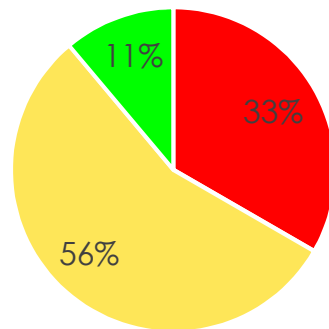
Fresh Suppliers:

| Answer Choices | Responses | |
|--|-----------|-----------|
| Supply Chain / Logistics / Replenishment | 37.50% | 6 |
| Manufacturing / Production | 6.25% | 1 |
| Sales / Business Development | 6.25% | 1 |
| Category Management | 0.00% | 0 |
| Corporate Social Responsibility / Sustainability | 6.25% | 1 |
| Marketing / Product Management | 12.50% | 2 |
| Quality Control / Food Safety | 0.00% | 0 |
| Packaging | 6.25% | 1 |
| Research & Development / New Product Design | 0.00% | 0 |
| Other (please specify) | 25.00% | 4 |
| Total | | 16 |

Current Sentiment

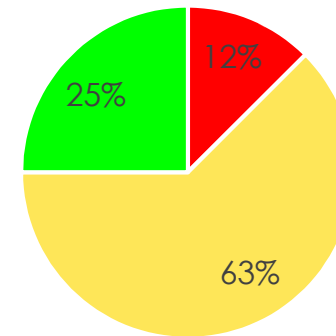
Retailers:

■ Agitated ■ Neutral ■ Positive



Fresh Suppliers

■ Agitated ■ Neutral ■ Positive



Other: (3)

- Organisation wants to go for zero waste in end to end
- The organisation is eager to decrease the waste
- Active to reduce the waste year in year whatever is the current situation.

Sell More, Waste Less Survey

Key Findings

Study Aims

Measurement

- ▣ Management
- ▣ Intervention Priorities

How do you define?

Retailers:

| | | |
|---|----------------|----|
| Food, spoiled, damaged or past their sell by date and thrown into the garbage / rubbish bin | 100.00% | 10 |
| Food spoiled, damaged or close to their sell by dates donated to charity | 70.00% | 7 |
| Food near sell by date or spoiled / damaged and sold at a discount to the community / restaurants | 20.00% | 2 |
| Food spoiled / damaged or past their sell by date and sent for bio recycling / conversion to energy | 80.00% | 8 |
| Markdowns, the value of the discounts offered to shoppers to speed up the sale of food near their sell by date | 50.00% | 5 |
| Markdowns, the value of the discounts given to secondary market re-distributors for the sale of food near their sell by date | 20.00% | 2 |
| Food received at the store that has not been stored at the correct temperature in transit and needs to be thrown into the garbage / rubbish bin | 100.00% | 10 |
| Other (please specify) | 20.00% | 2 |

Other: (2)

- Theft
- Cut offs in processed meats thrown away.

Fresh Suppliers:

| | | |
|--|---------------|----|
| Food, spoiled, damaged or past the last possible date to sell to regular retailers and thrown into the garbage / rubbish bin | 83.33% | 10 |
| Food spoiled, damaged or too close to the last possible date to sell to regular retailers donated to charity | 50.00% | 6 |
| Food close to the last possible date to sell to regular retailers, spoiled or damaged and sold at a discount to the community / restaurants | 50.00% | 6 |
| Food spoiled / damaged or close to the last possible date to sell to regular retailers and sent for bio recycling / conversion to energy | 75.00% | 9 |
| The value of the discounts given to secondary market re-distributors for the sale of food past the last possible date when it can be sold to regular retailers but within an acceptable date limit for sales to this sector. | 16.67% | 2 |
| Food ingredients received at the manufacturing site that has not been stored at the correct temperature in transit and that needs to be thrown into the garbage / rubbish bin | 66.67% | 8 |
| Ingredients missing / lost at reception and / destroyed or lost during production/processing | 50.00% | 6 |
| Other (please specify) | 16.67% | 2 |

Other: (2)

- Buybacks from retailers
- Wrong transport conditions and quality problems of the fruits lead to more waste.

How do you value?

Retailers:

| | | |
|--|---------------|---|
| Volume of Consumer Units Wasted (absolute) | 10.00% | 1 |
| Volume of Consumer Units Wasted expressed as a percentage of Total Volume of Consumer Units Sold | 10.00% | 1 |
| Value of Consumer Units Wasted (absolute) | 60.00% | 6 |
| Value of Consumer Units Wasted expressed as a percentage of Total Value of Consumer Value Sold | 70.00% | 7 |
| Tonnage / Weight of Consumer Units Wasted (absolute) | 20.00% | 2 |
| CO2 values of Consumer Units Wasted (absolute) | 0.00% | 0 |
| Other (please specify) | 10.00% | 1 |

Other: (1)

- Kg's per square meter of sales floor.

Fresh Suppliers:

| | | |
|---|---------------|---|
| Volume of Consumer Units Wasted | 50.00% | 6 |
| Volume of Consumer Units Wasted as a percentage of Consumer Units Sold | 66.67% | 8 |
| Value of Consumer Units Wasted | 50.00% | 6 |
| Value of Consumer Units Wasted as a percentage of the Value of Consumer Units Sold | 41.67% | 5 |
| Tonnage / Weight of Consumer Units Wasted | 33.33% | 4 |
| Tonnage / Weight of Consumer Units Wasted as a percentage of Tonnage / Weight Sold. | 33.33% | 4 |
| CO2 values of Consumer Units Wasted | 8.33% | 1 |
| Other (please specify) | 8.33% | 1 |

Other: (1)

- Value of the cost of resources and consumer units.

How do you value?

Retailers:

| | | |
|--|---------------|---|
| The value of the food waste measured at the purchase price / the cost paid to vendor | 55.56% | 5 |
| The value of the food waste measured at the retail price | 44.44% | 4 |
| Other (please specify) | 11.11% | 1 |

Other: (1) Both

Fresh Suppliers:

| | | |
|---|---------------|---|
| The value of the food waste measured at the purchase price / the cost paid to the producer / farmer | 41.67% | 5 |
| The value of the food waste measured at the price that you would have received from / charged to the retailer | 41.67% | 5 |
| Other (please specify) | 16.67% | 2 |

Other: (2)

Not applicable

Value of the resources wasted at that point of the chain

Study Aims

- ▣ Measurement

Management

- ▣ Intervention Priorities

What best describes your approach?

Retailers:

| | | |
|--|--------|---|
| There is a single leader, with a team, specifically appointed to lead the company food waste improvement strategy | 0.00% | 0 |
| There is no single leader but there is a team / task force of cross functional experts assigned to lead the company improvement strategy chaired by a senior / top manager | 33.33% | 3 |
| There is no single leader or cross functional team, each function is responsible for food waste. | 33.33% | 3 |
| There is no single leader but there is an expectation that the Loss Prevention / Asset Protection / Profit Improvement team would lead the strategy since Food Waste is included in the company definition of shrink / loss. | 11.11% | 1 |
| Other (please specify) | 22.22% | 2 |

Other: (2)

Commercial managers are responsible and supported by a small team for analysis and implementation

At this moment there is a project to improve the food waste

Fresh Suppliers:

| | | |
|--|--------|---|
| There is a single leader, with a team, specifically appointed to lead the company food waste improvement strategy | 0.00% | 0 |
| There is no single leader but there is a team / task force of cross functional experts across the organisation (business development, production, supply chain, quality management, etc) assigned to lead the company improvement strategy chaired by a senior / top manager | 33.33% | 4 |
| There is no single leader but there is a team / task force of cross functional experts within Supply Chain / Operations assigned to lead the company improvement strategy chaired by a senior / top manager | 25.00% | 3 |
| There is no single leader or cross functional team, each function is responsible for food waste. | 25.00% | 3 |
| There is no single leader but there is an expectation that the Quality Control / Food Safety team would lead the strategy since Food Waste is included in their scope of work. | 8.33% | 1 |
| Other (please specify) | 8.33% | 1 |

Other: (1)

There is a single leader in HQ and there are local cross functional teams working on reduction of waste

Where is Budget held?

Retailers:

| | | |
|--------------------------------------|---------------|---|
| Buying / Trading | 11.11% | 1 |
| Stores / Store Operations | 22.22% | 2 |
| Logistics / Supply Chain | 33.33% | 3 |
| Quality Control / Food Safety | 0.00% | 0 |
| Loss Prevention / Profit Improvement | 0.00% | 0 |
| Other (please specify) | 33.33% | 3 |

Other: (3)
 Merchandising Department
 Finance
 Each part in own responsibility

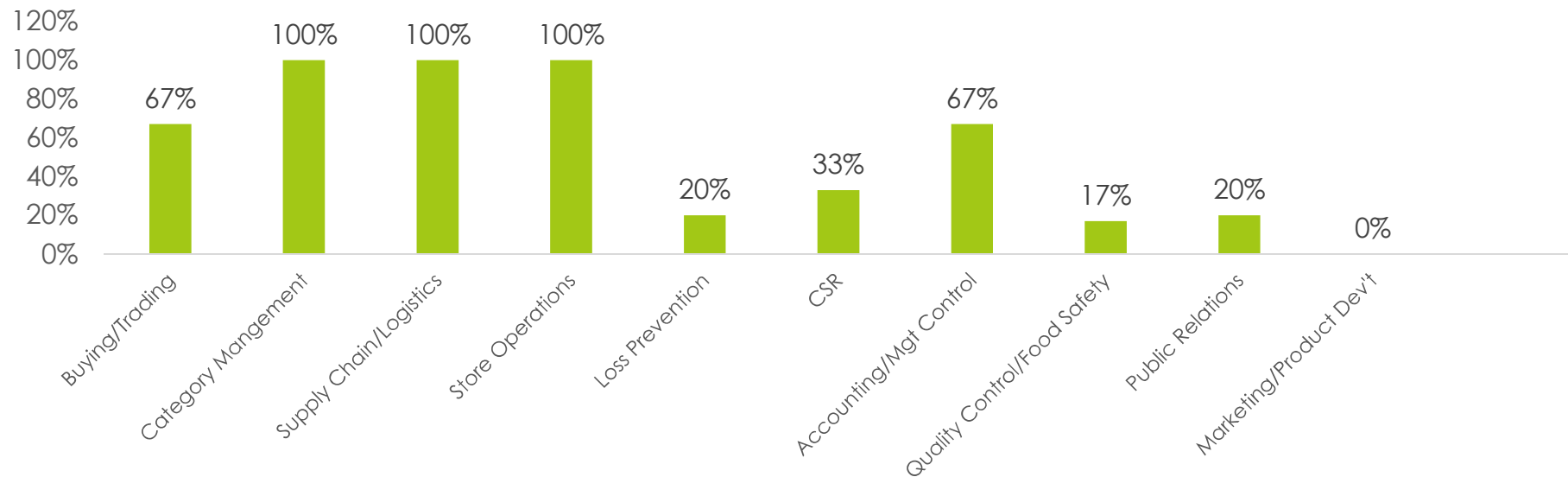
Fresh Suppliers:

| | | |
|--------------------------------|---------------|---|
| Manufacturing / Production | 0.00% | 0 |
| Quality / Food Safety Team | 8.33% | 1 |
| Logistics / Supply Chain | 41.67% | 5 |
| Marketing / Product Management | 0.00% | 0 |
| Research & Development | 0.00% | 0 |
| Other (please specify) | 50.00% | 6 |

Other: (5)
 Sales
 Logistics & Manufacturing
 Environment & Communication
 Account Teams
 Marketing & Logistics
 Split between supply chain, manufacturing, sales and marketing

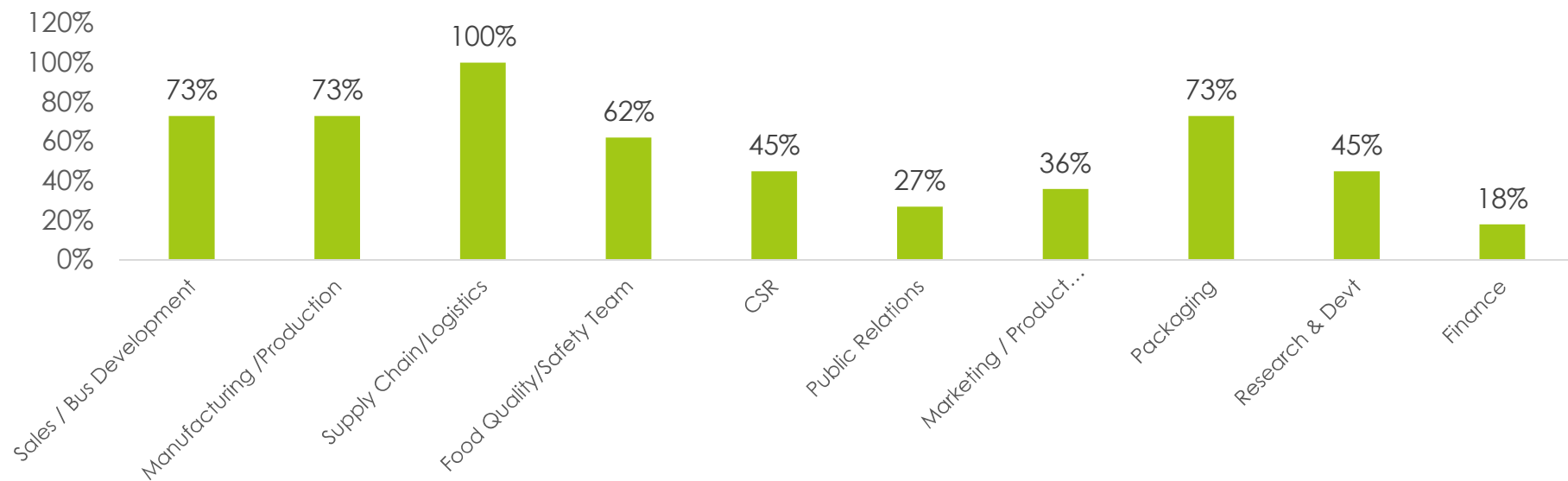
Extent of Involvement - Retailers

To what extent are the following functions or departments in your organisation involved in the management of food waste?
% quite/extremely involved



Extent of Involvement - Fresh Suppliers

To what extent are the following functions or departments in your organisation involved in the management of food waste?
% quite/extremely involved



State of Collaboration with Others

Retailers:

| | Not at all effective | Not so effective | Somewhat effective | Very effective | Extremely effective | Total |
|---|----------------------|------------------|--------------------|----------------|---------------------|-------|
| Sharing sales, inventory and waste Data | 16.67% 1 | 16.67% 1 | 16.67% 1 | 16.67% 1 | 33.33% 2 | 6 |
| Communicating exact product specifications | 0.00% 0 | 33.33% 2 | 16.67% 1 | 16.67% 1 | 33.33% 2 | 6 |
| Working together on new ideas for supply chain management including lead time reduction | 0.00% 0 | 33.33% 2 | 16.67% 1 | 33.33% 2 | 16.67% 1 | 6 |
| Working together on new packaging and case size specifications | 16.67% 1 | 16.67% 1 | 16.67% 1 | 33.33% 2 | 16.67% 1 | 6 |
| Working together on promotions planning | 0.00% 0 | 33.33% 2 | 16.67% 1 | 16.67% 1 | 33.33% 2 | 6 |
| Working together on range, assortment and space allocation planning | 0.00% 0 | 50.00% 3 | 0.00% 0 | 16.67% 1 | 33.33% 2 | 6 |
| Working together in new product plans and launches, including shelf life extension | 0.00% 0 | 33.33% 2 | 16.67% 1 | 16.67% 1 | 33.33% 2 | 6 |

Fresh Suppliers:

| | Not at all effective | Not so effective | Somewhat effective | Very effective | Extremely effective | Total |
|--|----------------------|------------------|--------------------|----------------|---------------------|-------|
| Using retailer sales, inventory and waste data (when shared) to inform decisions, forecasting, etc | 18.18% 2 | 9.09% 1 | 36.36% 4 | 27.27% 3 | 9.09% 1 | 11 |
| Understanding the retailers exact product specifications | 0.00% 0 | 27.27% 3 | 27.27% 3 | 45.45% 5 | 0.00% 0 | 11 |
| Working together on new ideas on Supply Chain Management, for example shorter lead times | 0.00% 0 | 18.18% 2 | 54.55% 6 | 18.18% 2 | 9.09% 1 | 11 |
| Working together on new packaging ideas and case size specifications | 0.00% 0 | 27.27% 3 | 63.64% 7 | 9.09% 1 | 0.00% 0 | 11 |
| Working together on smarter promotions | 18.18% 2 | 36.36% 4 | 45.45% 5 | 0.00% 0 | 0.00% 0 | 11 |
| Working together on range, assortment and space allocation planning | 9.09% 1 | 36.36% 4 | 36.36% 4 | 9.09% 1 | 9.09% 1 | 11 |
| Working together to on new product plans, including shelf life extension | 9.09% 1 | 36.36% 4 | 45.45% 5 | 9.09% 1 | 0.00% 0 | 11 |

Study Aims

- ▣ Measurement
- ▣ Management

Intervention Priorities

Retailers Priorities

| | Very Low/Low Priority | Average Priority | High / Very High Priority | Total |
|--|-----------------------|------------------|---------------------------|-------|
| Focus on Execution - Right product, right time, right store (improved forecasting, automated ordering, variable rules, appropriate safety stock based on shopper responses to out of stocks; store associates focused on freshness Vs loss) | 0.00% 0 | 37.50% 3 | 62.50% 5 | 8 |
| Lead time reduction – minimize the time fresh products spend in the supply chain | 12.50% 1 | 37.50% 3 | 50.00% 4 | 8 |
| Improved collaboration – increase the frequency and speed of data sharing with key farmers, producers and vendors, deepen the relationships to make partnership seamless as though it were "one company" | 37.50% 3 | 37.50% 3 | 25.00% 2 | 8 |
| Extend Maximum Shelf Life – reduce the time fresh products spend in the supply chain before the store, improve treatment of products in their journey to the fork (temperature control, handling, etc) and effective management of best-before-dates | 12.50% 1 | 37.50% 3 | 50.00% 4 | 8 |
| Off Standard Products - Promote shopper acceptance of off perfect product – funny fruit campaigns | 62.50% 5 | 12.50% 1 | 25.00% 2 | 8 |

Retailers Priorities

| | Very Low/Low Priority | Average Priority | High / Very High Priority | Total |
|--|-----------------------|------------------|---------------------------|-------|
| Optimise case sizes – reduce or increase the size of the minimum shipping quantity of consumer units to stores to account for variation in sales rates per store, from hypermarket to convenience, while balancing handling costs and on-shelf availability. | 0.00% 0 | 50.00% 4 | 50.00% 4 | 8 |
| Never knowingly offering too much choice – consider the variety of choice for the shopper and look to balance the opportunity cost associated with lower choice (lost sales) with the additional costs and risks of offering choice (greater handling costs and higher food waste) | 25.00% 2 | 62.50% 5 | 12.50% 1 | 8 |
| Smart assortment – reflect in the ranging decisions the variation in sales rates by format, store and geographic location, looking to take slow moving items out of the wrong stores. | 25.00% 2 | 50.00% 4 | 25.00% 2 | 8 |
| Allocate the right space – too much space promotes abundance, sales but at the risk of more food waste, too little space leads to out of stocks and lost sales while incurring additional handling costs for multiple fills during the day. | 25.00% 2 | 25.00% 2 | 50.00% 4 | 8 |
| Fewer, smarter promotions on fresh products – ensure customers buy only what they will eat while reducing the quantity and the overall frequency of promotions that can often result in unwanted and unsold inventory being left in the store and eventually, wasted. | 62.50% 5 | 12.50% 1 | 25.00% 2 | 8 |

Fresh Suppliers Priorities

| | Very Low / Low Priority | Average Priority | High / Very High Priority | Total |
|---|--------------------------------|-------------------------|----------------------------------|--------------|
| Focus on Service - right product, at the right time, in the right retailer (improved forecasting, automated ordering, appropriate safety stock based on retailer responses to non supply) | 0.00% 0 | 18.18% 2 | 81.82% 9 | 11 |
| Lead time reduction – reduce the time / days that fresh products, once produced / farmed, spend in the supply chain | 9.09% 1 | 27.27% 3 | 63.64% 7 | 11 |
| Improved collaboration – increase the frequency and speed of data sharing with key farmers, producers, vendors, wholesalers and retailers, deepen the relationships to make partnership and supply chain seamless as though it were "one company" | 9.09% 1 | 18.18% 2 | 72.73% 8 | 11 |
| Extend Maximum Shelf Life – work with R&D to increase the shelf life of products, different ingredients / new packaging formats | 9.09% 1 | 54.55% 6 | 36.36% 4 | 11 |
| Off Standard Products - Work with retailers to promote the shopper acceptance of off perfect product – funny fruit campaigns | 72.73% 8 | 27.27% 3 | 0.00% 0 | 11 |

Fresh Suppliers Priorities

| | Very Low / Low Priority | Average Priority | High / Very High Priority | Total |
|---|--------------------------------|-------------------------|----------------------------------|--------------|
| Optimize case sizes – reduce or increase the size of the minimum shipping quantity of consumer units that the retailer ships to stores by changes in the packing / packaging that you supply to retailers | 18.18% 2 | 63.64% 7 | 18.18% 2 | 11 |
| Smart assortment – partner with retailers to help their per format / per store assortment, | 27.27% 3 | 18.18% 2 | 54.55% 6 | 11 |
| Allocate the right space – partner with the retailer on space planning - too much space promotes abundance and sales but at the risk of more food waste, too little space leads to out of stocks and lost sales while incurring additional handling costs | 27.27% 3 | 45.45% 5 | 27.27% 3 | 11 |
| Fewer, smarter promotions on fresh products – partner with retailers to plan promotions that ensure customers buy only what they will eat while reducing the quantity / frequency of promotions to reduce waste | 36.36% 4 | 54.55% 6 | 9.09% 1 | 11 |

Retailers – Just one intervention...

Let it count. Focus on really changing behaviour by realising chances due to programmatic interventions
Integrate this in the coaching points

Stop selling the item or increase its rotation!

Prevention of leftovers from regular promotions or events (Christmas, etc.)!

Better ordering

An IT model for accurate promotion forecasting of volumes

Optimize the supply chain; for example:
responsiveness, freshness

Accurate and timely recording

Fresh Suppliers – Just one intervention...

Plan reduction of food waste by collaboration
Retailer - Supplier

More cooperation with retail companies. Offer a short supply chain with deliveries based on consumer behaviour. Also education for consumers (how to keep fresh products fresh and so on) will reduce food waste.

We'd like to collaborate more with retailers to think about packaging solutions to reduce food waste. Until now, retailers do not consider packaging as possible solution for food waste.

Less choice for the consumer, i.e. Larger throughput per product

Planning

More Fixed Orders

Do better orders at point of sales can reduce losses (fresh cutted flowers) adapt the temperature (lower) in stores overnight, this would have a positive effect on the quality and "life expectancy" of the products decreasing waste.

Prioritize food waste reduction at board level/in the strategic plans

Round Table Discussion

- Are these results surprising?
- How do the findings differ from the way you define, measure, value, organize, involve and communicate?
- Are your priorities different?
- What was missing?
- What are your takeaways?