



The Perfect Order Challenge: Facilitating Collaboration

2016 FOOD SHIPPERS ANNUAL CONFERENCE



Session Agenda

- Session Overview
- Introductions
- Perfect Order Definition
- Presentations
- Questions and Answers

Session Overview

In today's ever-increasing demand for perfection and speed, trading partners are challenged to collaborate with each other to succeed in the marketplace.

This session is designed to look at how trading partners deal with the predictable surprises throughout the lifecycle of an order as it moves from manufacturer to carrier to receiver.

The panel will discuss the issues and their collaboration approaches to minimize disruption in the lifecycle of an order/shipment.

Panel Introduction

- Debra Schultz, Director of Transportation, Post Consumer Brands
- Kevin Ridings, Vice President Transportation, ES3
- Sam Burrer, Vice President Operations, Dutchmaid Logistics

The Perfect Order

The Perfect Order Measure calculates the error-free rate of each stage of a Purchase Order. This measure captures key steps in the life of an order. It measures the errors per order line. The use of reason codes allows for the creation of a Perfect Order Measure (PMO).

Example:

Order Entry Accuracy:	99.95 % Correct (5 errors/10,000 order lines)
Warehouse Pick Accuracy:	99.20 %
Delivered on Time:	96.00 %
Shipped without Damage:	99.00 %
Invoiced Correctly:	99.80 %

In this example the PMO is $99.95\% * 99.2\% * 96\% * 99\% * 99.8\% = 94.04\%$

Intro to Post Consumer Brands



Post Holdings Organization



We Have Best-Sellers



17



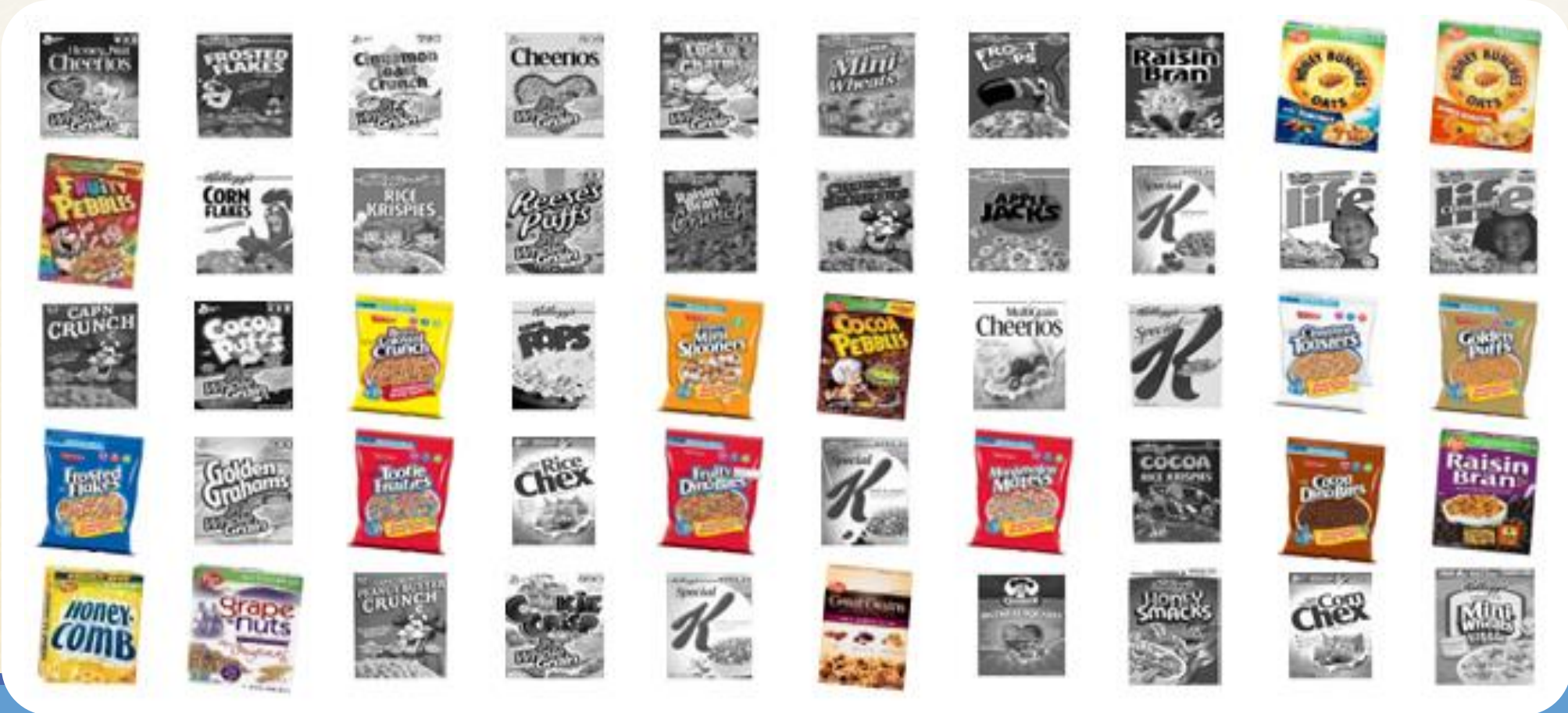
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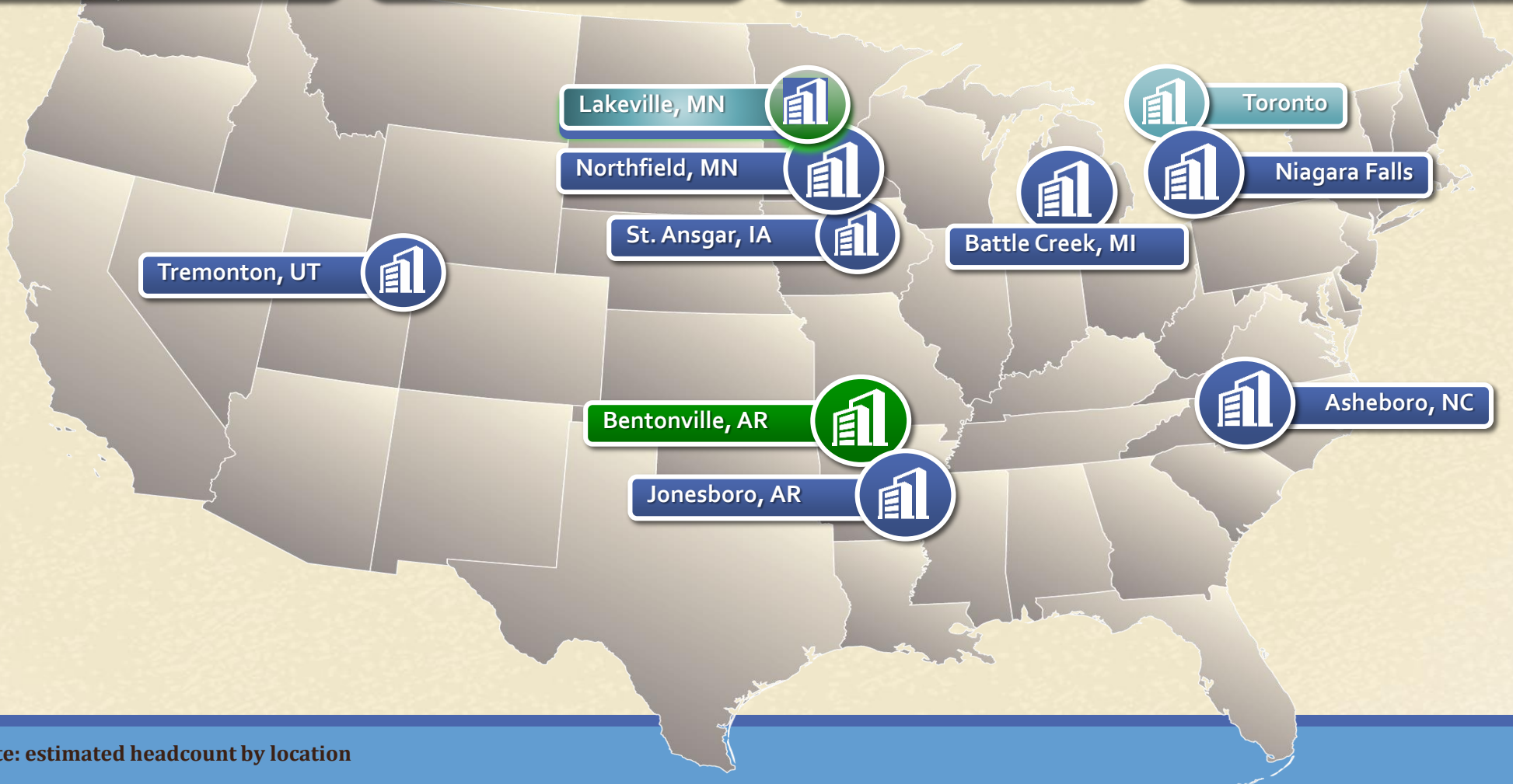
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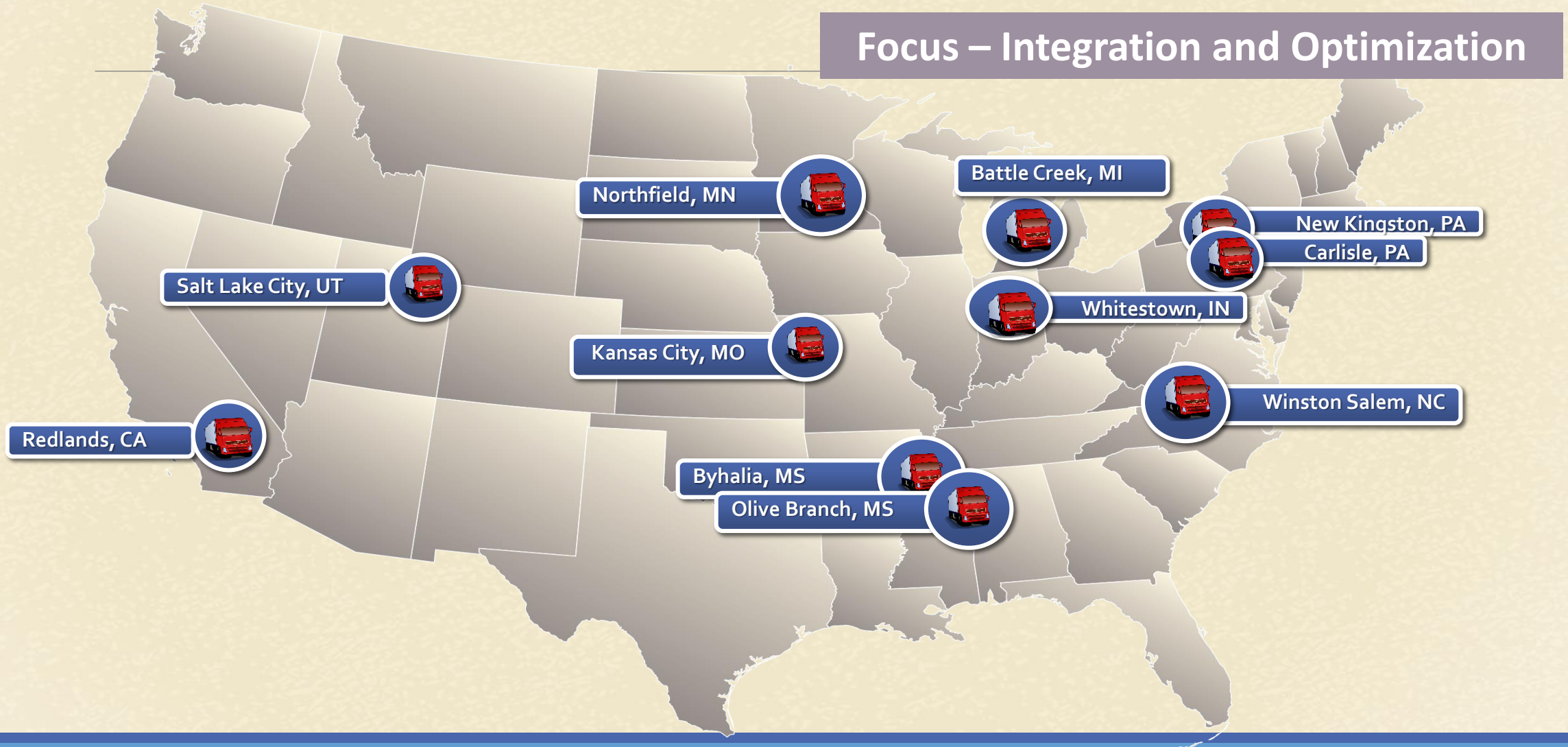


Post Consumer Brands Overview



Note: estimated headcount by location

Post Consumer Brands Distribution Centers



Service

The Right
Products



At the
Right Place



At the
Right Time



In the Right
Condition



Order Entered
Correctly

Forecasted
Correctly

Sourced From
the Right Plant

Picked
Up/Shipped On
Time

Ordered With
the Right Lead
Time

Shipped in
Quality, Food
Grade Trucks

Shipped In the
Optimal
Quantity

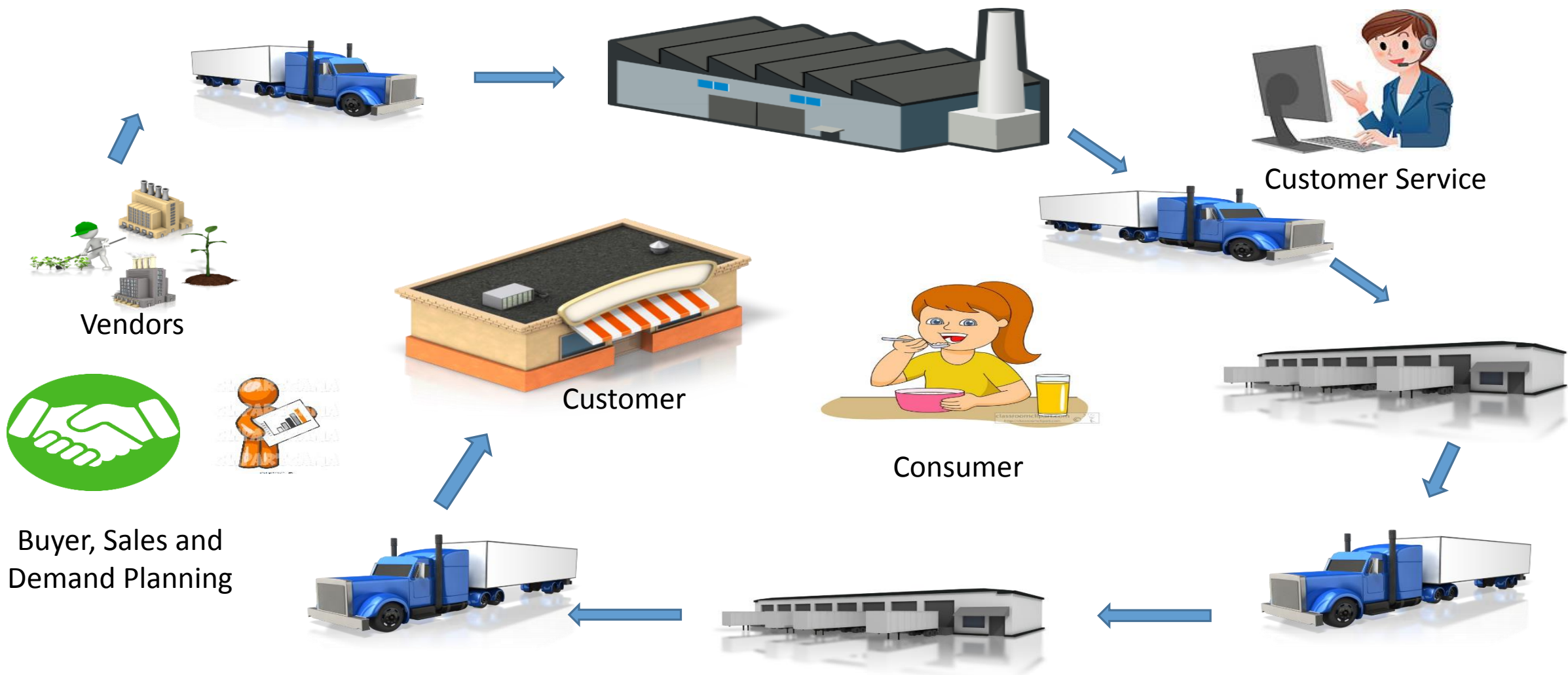
Invoiced
Correctly

Ordered In the
Correct
Quantities

Ordered via EDI

Unloaded with
Skilled Labor in a
Reasonable Time
Frame

Partnerships for Success



Vendors - Carriers - Co-Manufacturers - Warehousing - Customers

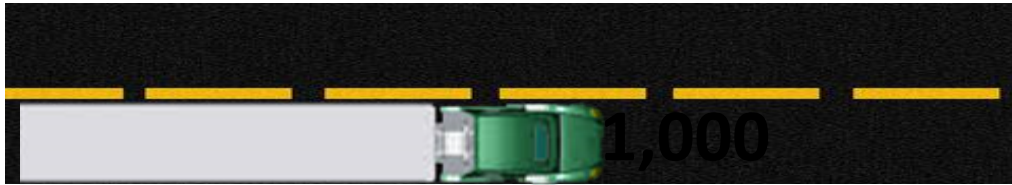
How Does PCB Manage Transportation Risk?

- Partner with Proven Performers
- Require 100% volume commitment on KEY lanes
- Emphasize Communication
- More than one Carrier....But not too many more
- Forecasted Lane Volume
- Drop Capability
- Weekend Operations
- Multiple Source Points
- Regular Carrier Reviews
- Systems Integration

Intro to Cohen Enterprise







75+ Carriers / 2,000 Tractors / 8,500 Trailers

Pursuing

Perfect

Coordination

- Early alerts – visibility into expected events

Cooperation

- Sharing of best practices – carrier management, KPIs, scorecarding

Collaboration without trust is merely coordination or at best cooperation

- Network interdependency

Dutch Maid Logistics - Who We Are

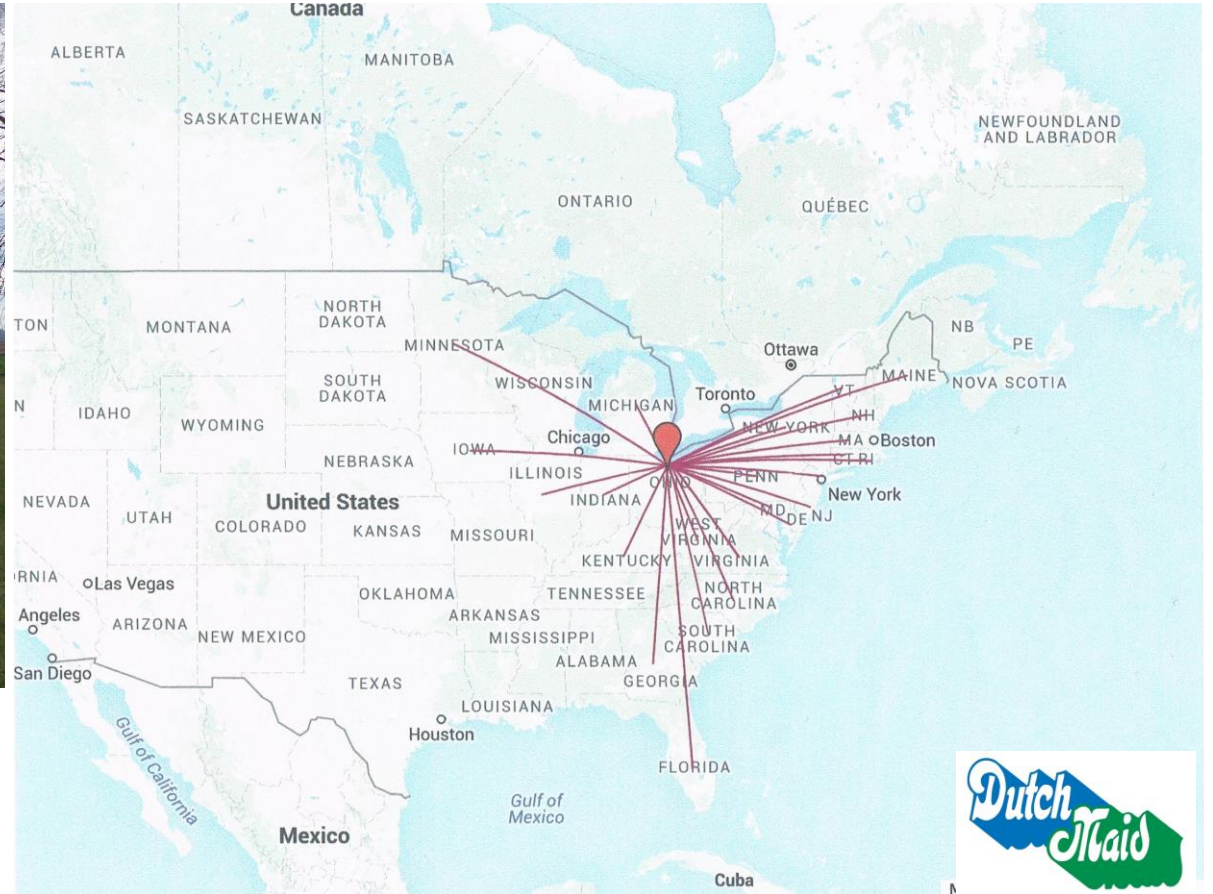
Dutch Maid Logistics is a refrigerated fleet located in sunny North Central Ohio, in the town of Willard.

We really are in the heart of it all...

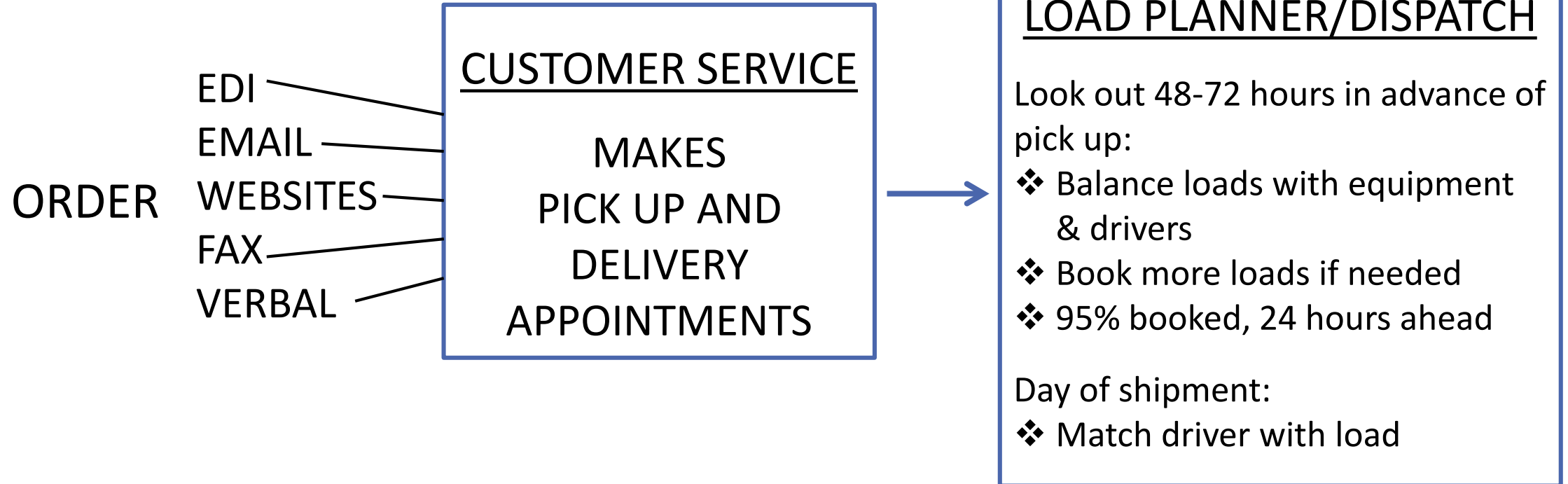
- ❖ Heavy Lanes – New York, New Jersey, Pennsylvania & Maryland
- ❖ Secondary Lanes – Midwest – Illinois, Indiana, Iowa, Minnesota
- ❖ Low Volume Lanes – Carolinas, Georgia, Florida
- ❖ Short Haul – Ohio and surrounding states



Dutch Maid Logistics - Where We Go



Dutch Maid Logistics - Birth of an Order



Dutch Maid Logistics - Perfect Load Requirements

- ❖ Before picking up the load –
 - ❖ We look at driver's hours, when driver will be empty and any equipment issues.
 - ❖ When the driver needs to be home
 - ❖ What type of load the driver likes (we do give choices when possible)
 - ❖ Is a relay needed?
 - ❖ Do we need to wash trailers before loading?

This can create all kinds of problems because there isn't a trailer washout facility on every corner. We would love for the shipper to have the ability to wash out trailers.



Dutch Maid Logistics - Perfect Load Requirements

- ❖ After the load is dispatched –
 - ❖ Trace all shipments via satellite to assure on-time delivery.
 - ❖ Proactive communication with receiver and shipper of delays
- ❖ How can **YOU** help **US** help **YOU** become our shipper of choice –
 - ❖ Lead times at least 72 hours ahead
 - ❖ Fulfill commitments – if award five loads per day, then fulfill five loads
 - ❖ If customer load is not available, fill with interplant shipment to keep commitment
 - ❖ Level out your shipments as much as possible
 - ❖ Don't let your software make all of the decisions. It should just be another tool.
Give your people authority to override the system



Dutch Maid Logistics - Shipping and Receiving

❖ Improvements:

Open 24/7

Maximize drop and hook programs – don't abuse it!

Be respectful of our drivers!

Provide core amenities – rest rooms, vending machines, etc.

Allocate parking spaces to cover HOS

Have a good OS&D process with weekend and after hours contacts to handle problems and give them authority to make a decision.

Pressure your receivers to get us in and out on time – WE DON'T WANT YOUR DETENTION DOLLAR\$!

Last but not least, every carrier has a built in fee for problem shippers, there is a name for this fee but I cannot say it here on this stage. Are you a shipper with this built in fee?



Dutch Maid Logistics -To Our Shippers

We appreciate everything you do for us!



Key Session Take Away Points

- Ensure good working relationships
- Collaborate across all stakeholders
- Focus on facilitating efficiency
- Make use of formal action plans
- Maximize open two way communication
- Take advantage of “best practices”

Questions?



Cartoon Credit: Charles Schulz