

SOLUTION OVERVIEW

Supply Chain Diagnostic for Sustainable Companies

Sustainability has emerged to a prominent position in corporate and consumer consciences. For organizations that center themselves around sustainable missions, operating an efficient and sustainable supply chain can be difficult, especially in times of rapid growth. Consumer demand for responsibility, authenticity and transparency further complicates your ability to protect and improve margins while providing high quality and peak service.

Your supply chain can be a tremendous source of value – or risk – and, left unchecked, can serve as an inhibitor to profitable growth. Through assessing current state supply chain practices and metrics, analyzing the effect of sustainability mandates, and aligning to corporate strategy and growth targets, you can uncover areas of growth and value.

Supply Chain Diagnostic Goals & Benefits

Clarkston's Supply Chain Diagnostic understands a company's people-plan-et-profit (PPP) position based on consumer desires and competitor activities. The diagnostic provides an analysis of a company's supply chain position in the marketplace, and a

blueprint on how to match or exceed competitor actions.

The Supply Chain Diagnostic helps companies to:

- Quantify potential savings, costs and risks;
- Benchmark performance against industry leaders;
- Identify sustainability inputs, outputs and value drivers;
- Prioritize opportunities based on business impact and magnitude of change;
- Provide tactical and value add business process redesign;
- Identify a roadmap with focuses on quick wins and integration with longer-term initiatives.

Approach

The Supply Chain Diagnostic is a rapid and flexible assessment that engages leaders from across the supply chain to understand interactions and activities of each department. Its 200+ questions cover all supply chain management processes, sustainability metrics and IT enablement. It measures frequency of leading practices based on Clarkston's

client experience and industry benchmarks. Typical participants include supply chain leadership, planning, master scheduling, sales, marketing, product line management, finance, customer service and production.

People, Planet, Profit Defined

People, Planet, Profit, also referred to as "Triple Bottom Line," is a corporate operating philosophy that embraces all affected constituents of a business—stockholders, employees, suppliers, customers, consumers and the community. Companies that employ this philosophy focus on corporate performance, environmental impacts and the social impact of their business operations.

Methodology & Tools

Clarkston's Supply Chain Diagnostic methodology is broken into 3 phases: Data Gathering, Sustainable Supply Chain Maturity & Gap Analysis with ROI Modeling, and Implementation Roadmap. Clarkston uses a number of tools during each of the phases to standardize and expedite the process.

METHODOLOGY & TOOL SAMPLES

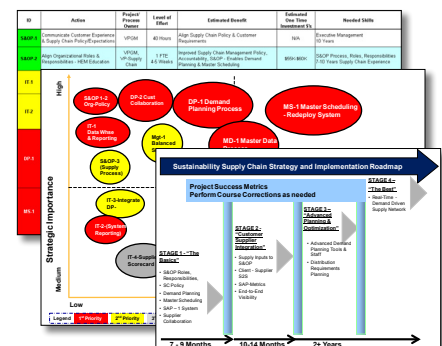
Data Gathering

ID	Primary Information	Executive leader in charge of this is a key component of overall
1	Carrier contracts include incentives for continuous improvement such as self service appointments and dock time reduction efforts	
2	List of All Finished Goods SKUs. Include SKU #, Description, ABC Classification, List Price, Standard Cost, Active/Inactive code	Responsible for planning, contracting, and procurement according to scheduled volume
3	Forecast Error - Mean Absolute Percent Error (MAPE) - Units Shipped vs. Units Forecast (30 Days and 60 Days - by SKU - Optional by Product Line, Business Unit) by Month for the Last 12 Months	Dedicated fleets based on
4	Case Fill Rate % (Total Cases Shipped / Total Cases Ordered) - by Month for the Last 12 Months	Less exist with payment (Billing process. Root cause (Root cause. One line cost are included in the audit
5	Order Line Item Fill Rate % (Total # of Line Items Shipped 100% Full / Total # of Line Items Ordered) - by Month for the Last 12 Months	by carrier. If carrier does subjected to a penalty
6	On-Time-in-Full # (of Orders Shipped 100% Full and On-Time / # Orders) by Month for the last 12 Months	
7	Inventory Days of Supply - Total gross value of inventory at standard cost before reserves for excess and obsolescence. Only includes inventory on company books. Future liabilities should not be included. Annual average of the sum of all gross inventories (Raw Materials & WIP, plant FG, field FG, field samples, other) (COGS + 365)	

Sustainable Supply Chain Maturity & Gap Analysis with ROI Modeling

Category	Value	Low	Medium	High	Low	Medium	High	Estimated Annual Profit Improvement
Case Fill Rate	98.5%	95.0%	97.5%	99.0%	95.0%	97.5%	99.0%	\$1,200,000
Forecast Error	15.0%	18.0%	12.0%	10.0%	15.0%	12.0%	10.0%	\$800,000
Order Line Item Fill Rate	99.5%	98.0%	99.0%	99.8%	99.5%	99.0%	99.8%	\$500,000
On-Time-in-Full	95.0%	90.0%	92.0%	98.0%	95.0%	92.0%	98.0%	\$300,000
Inventory Days of Supply	45	55	40	35	45	40	35	\$200,000

Implementation Roadmap



Keurig Realizes Supply Chain Benefits

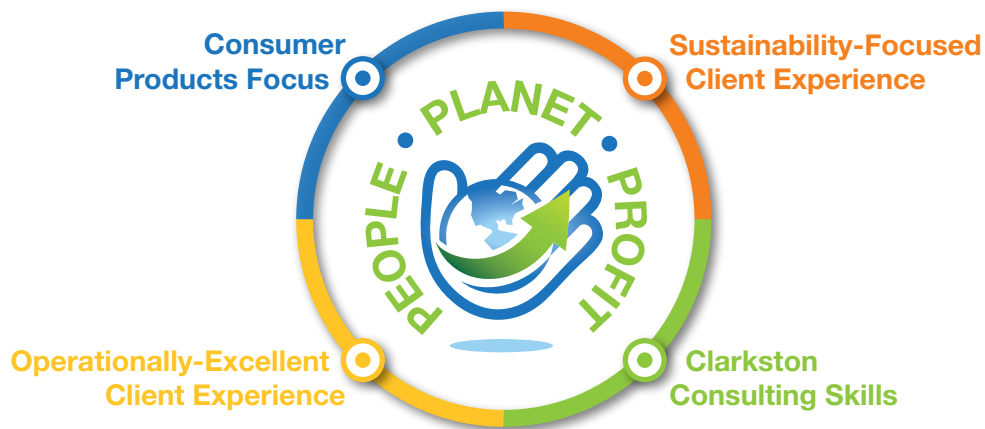
Keurig combines their sustainability and innovation efforts to deliver improved business results, many of which are supply chain related. Through their continual assessment and implementation of supply chain improvements, they tout measurable results including:

- 83% waste diverted from US landfills
- 23% more K-Cup packs fit on each truck shipped between their plants and distribution centers by reconfiguring pallets for efficiency
- 16% less North American manufacturing injury severity rate
- 5.8M more pounds of Fair Trade coffee purchased than in previous year

Clarkston's Value

With over 20 years of experience in the Consumer Products industry, Clarkston leverages operational excellence and supply chain expertise to help companies realize the value of sustainability. Across the entire supply chain, Clarkston has helped many leading Consumer Products companies design and implement functional strategies focusing on process design, technology implementation/integration and organizational alignment. Clarkston's clients represent all facets of the sustainability spectrum, allowing us to effectively customize the Supply Chain Diagnostic to the unique goals of your Consumer Products company.

For more information on Clarkston's Sustainability Supply Chain Diagnostic, contact Kyle Montgomery, kmontgomery@clarkstonconsulting.com



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About Clarkston Consulting

Clarkston Consulting is a different kind of management and technology consulting firm. We deliver a unique experience for market leaders within the Consumer Products and Life Sciences industries. Considering professionalism, expertise, and value as prerequisites, we take service a step further through our unyielding commitment to the success of people as individuals, both our clients and our employees. By combining integrity, adaptability, and a whatever-it-takes attitude, we have achieved an extremely high rate of referral and repeat business and a 10-year average client satisfaction rate of 97%.