

Tips on how to distribute to the UK Retailers

Dean Attwell

Managing Director, Oakland International
Depots in UK & Ireland

We Store We Pick We Deliver

Content

- Who are Oakland?
- Understanding the UK Retail Supply Chain
- Overview of the different distribution models
- Strengths and weaknesses of the different distribution models
- Potential pitfalls Irish suppliers should consider
- Case studies

We Store We Pick We Deliver

www.oakland-international.com





Who are Oakland International?

We Store **We Pick** **We Deliver**

www.oakland-international.com





Oakland
International
Ireland



Irish Retailers
Wholesalers
Foodservice

Supply Chain

Oakland
International
Ltd



UK Retailers
Wholesalers
Foodservice

Supply Chain

We Store We Pick We Deliver

Who are Oakland?

- Family owned business established in 1998 with year on year growth
- Multi temperature supply chain specialists
- Creation and management of bespoke supply chain solutions
- Working with all of the UK's and Ireland's major retailers, wholesalers and food service operators on a daily basis
- Experienced with both high volume accounts and niche players
- BRC accredited for Storage and Distribution in UK & Ireland



We Store We Pick We Deliver

www.oakland-international.com



Our Services

- Chilled, frozen and ambient storage, picking and distribution
- Chilled case consolidation
- Distressed Load Management
- Nippy service- distribution of samples
- Contract Packing
 - Tempering
 - Re-labelling
 - Date Coding
 - Sleeving

We Store We Pick We Deliver

www.oakland-international.com



Understanding the UK Retail supply chain



We Store We Pick We Deliver

Key UK Retailers & Wholesalers Serviced

Londis

Sainsbury's

SPAR 
There for you

P&H Waitrose

farmfoods

TESCO

Nisa
making a difference *locally*

BOOKER
www.booker.co.uk


ocado



Budgens

M MORRISONS

COSTCO
CO.UK



ALDI

BOOTH'S

Iceland

BATLEYS

Nisa Today's



brakes
fresh ideas

ASDA

makro
Cash & Carry United Kingdom

The **co-operative**

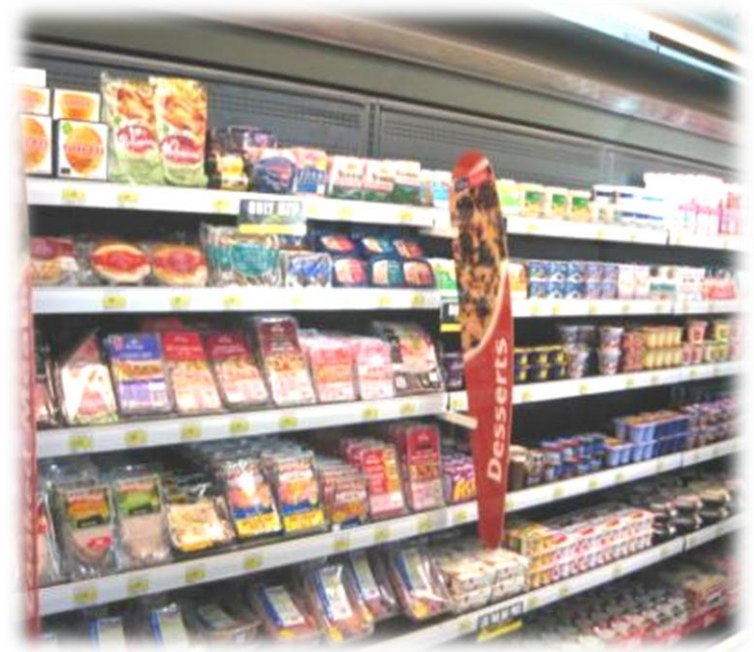
We Store We Pick We Deliver



Retailer Objectives

HIGH SALES & FULL AVAILABILITY

- Deliveries on time
- Correct Presentation
- Daily deliveries
- Short-order lead times
- Good lines of communication
- No unnecessary stock holding
- No minimum order
- Full traceability of stock throughout supply chain
- Maximum shelf life for consumer



At a Low Cost

We Store We Pick We Deliver

www.oakland-international.com



Delivering to the Retailer distribution depots

- Day 1 for day 2 delivery
- EDI order placement (mostly)
- Tight delivery windows- vary by retailer
- Multiple delivery waves
- HGV 11 tonne vehicle as a minimum
- Fines for late or incorrect deliveries (some retailers)
- Backhaul preferences
- Blue GKN pallets or equivalents
- Pallet height restrictions
- ASN's- Tesco, Sainsbury's



We Store We Pick We Deliver

Overview of the different distribution models supplying fine food, speciality stores through to the Retailers

We Store We Pick We Deliver











Supply Chain Options

1. Use of brokers or agents/Food service suppliers
2. Make deliveries yourself
 - a) Groupage Pallet distribution
 - b) Direct delivery- full or part load
3. Utilise services of a 3pl
 - a) Cross-docking
 - b) Pallet distribution
 - c) Frozen to chill (tempering)
 - d) Case Consolidation & distribution
 - e) Stock held
 - f) Pick-to-zero



We Store We Pick We Deliver

Supply Chain Options Compared

	Groupage (pallets)	Direct Delivery	Case Consolidation
Ambient high volume			X
Ambient low volume		X	
Frozen High Volume			X
Frozen low volume		X	
Chilled high volume	X	X	
Chilled low volume	x	X	

We Store We Pick We Deliver

Fine Food & Speciality Stores

- Direct delivery from Ireland – pallet rate in excess of €140 typically
- Deliver to consolidation centre in the UK and then onward distribution – €60 to get to the UK plus additional €40 -€90 per pallet depending on destination. **Case rates not available.**
- **Volumes will be small** and growth potential will be limited.
- Cost to serve will be **high**.
- Service level **expectation** will be **high**.
- **Customer offer** for your products will probably be **worse** in terms of **value and freshness** than with a larger retailer.

We Store We Pick We Deliver

Sainsbury's

- Day 1 order for day 2 delivery, 7 days per week
- EDI ordering
- 12 chilled RDC's to service
- Timed deliveries only (15 minute window).
- All deliveries on vehicles not less than 7.5T.
- All products presented on Chep standard pallets only, total maximum height 1.6m.
- All deliveries to be correctly pre-notified to the receiving depot by Advance Shipment Notification (ASN)

We Store We Pick We Deliver

www.oakland-international.com

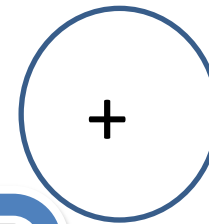


Example of direct delivery of 1,680 cases per week into Sainsbury's

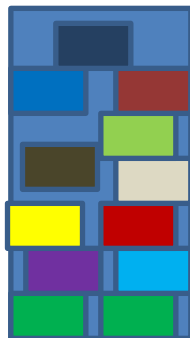
Supplier receives order for 20 cases per depot x 12 depots



Supplier sends pre-picked goods to UK platform
€60/ pallet
(= €3.00/ case)

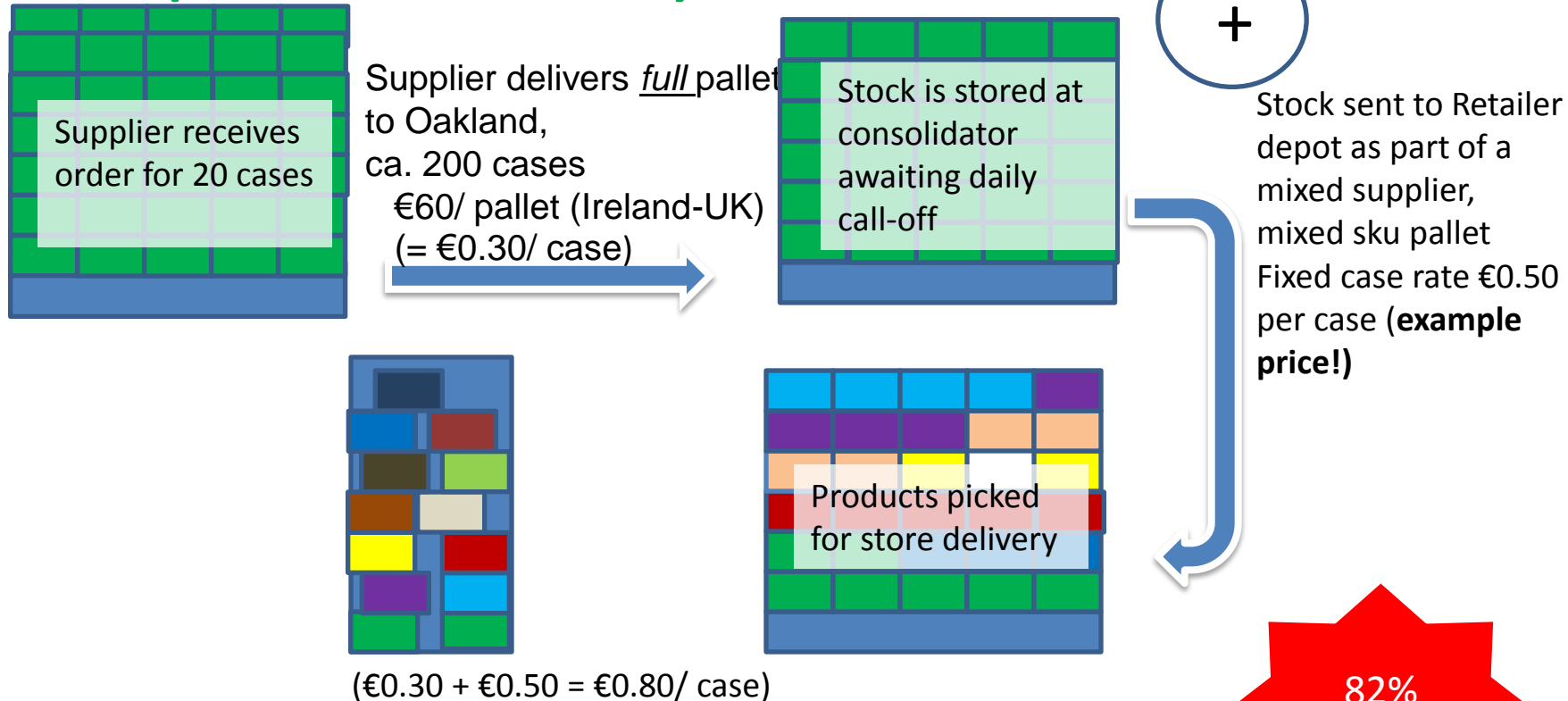


Transport 20 cases to retailer depot
€30/ pallet
(= €1.50/ case)



Cost: 20 cases x €4.50/ case = €90.00 per order 😞!

Example of using consolidation for 1400 cases per week to Sainsbury's



Cost: 20 cases x €0.80/ case = €16.00 per order 😊 !

82%
saving!

We Store We Pick We Deliver

Consolidated Pallets

From bulk stockholding...



...to mixed product pallet deliveries



We Store We Pick We Deliver

Potential pitfalls Irish suppliers should consider

We Store **We Pick** **We Deliver**

www.oakland-international.com



Potential Pitfalls/Challenges

- Do you need to have someone in the UK or consider joint collaboration with each other or with an established UK retail professional.
- Packaging
 - Know the shelves that you are stocking as they vary in depth and height
 - Don't over-package – it isn't necessary and is a pain in store.

We Store We Pick We Deliver

www.oakland-international.com



Packaging



We Store We Pick We Deliver

www.oakland-international.com



Packaging



We Store We Pick We Deliver

www.oakland-international.com



Potential Pitfalls/Challenges

- Barcodes
- Pallets: One way trippers, GKN Chep/LPR etc hire schemes?
- Labelling of pallets and cases
- Stockholding levels and inbound replenishment times
- Communication (promotions, new lines etc)
- Invoicing – EDI or manual.
- Know your true supply chain cost – including wastage.
- Don't expect 100% accuracy – build a tolerance for wastage and incorrect picking into your costs.
- Can you cope with the increased sales if you are successful?

We Store We Pick We Deliver

Potential Pitfalls/Challenges

- Shelf life – must be enough for UK stockholding and to give retailer a decent shelf life (75% of life available)
- Units per case: know your retailer...
 - 8 units plus = value lines or seasonal high volume lines
 - 4 to 6 units = niche or higher value lines or C-stores.
- Invest in more frequent deliveries in launch phase – keep stocked up and fresh.
- Visit stores – how does your product look on shelf?
- Talk to the store team.

We Store We Pick We Deliver



Case Studies

We Store **We Pick** **We Deliver**

www.oakland-international.com



Mr Crumb

Yearly Comparison since beginning to date

Year	Volume	No of retailers	Volume Growth
2012	103,071	3	
2013	110,560	3	7%
2014	200,776	3	81.60%

Services:

- Frozen Storage
- Tempering
- Chilled picking

We Store We Pick We Deliver

Green Farm Foods

Yearly Comparison since beginning to date

Year	Volume	No of retailers	Volume Growth
2012	144,592	3	
2013	234,773	4	62%
2014	270,733	5	15%

Services:

- Chilled picking

We Store We Pick We Deliver

BFree

Yearly Comparison since beginning to date

Year	No of retailers	Volume Growth
2013	2	
2014	3	499%

We Store We Pick We Deliver

www.oakland-international.com



Kepak Cork

Yearly Comparison since beginning to date

Year	Growth	No of retailers
2012		5
2013	194%	6
2014	150%	7

Services:

- Chilled picking

We Store We Pick We Deliver



Tips & Ideas

We Store We Pick We Deliver

www.oakland-international.com



Tempering

- Method of giving retailers maximum shelf life
- Suitable for most products which are suitable for home freezing.
- Reduced wastage for producer – cost saving pays for tempering & coding cost.
- Reduced wastage at retailer
- Improved availability on short shelf life, low volume lines.
- Product supplied on day zero 'mid-temper'.



Conventional shelf life rule – with MLOR 9 days

75% shelf life for retail								RDC	25% shelf life for supplier		
1	2	3	4	5	6	7	8	9	10	11	12

100% of shelf life available to retailer												
0	1	2	3	4	5	6	7	8	9	10	11	12



Temper

We Store We Pick We Deliver

Examples of tempered products



We Store We Pick We Deliver

Pick one 'small' retailer – (Musgrave?)

- Musgrave GB consolidation scheme
- Musgrave collect from all over Ireland
- Pallets consolidated in Dublin
- Fixed pallet rate to get to Redditch
- Stockholding and case consolidation ex Redditch
- Fixed case rate, next day distribution to all Musgrave GB RDCs

We Store We Pick We Deliver

Pick one large retailer (Sainsbury's?)

- Ensure you can meet the projected demand.
- Strong launch price.
- Invest in availability (risk of some wastage)
- Negotiate MLOR for new launch promotions.
- Offer exclusivity for a limited period.
- Other retailers will follow.

We Store We Pick We Deliver

Collaboration is not a dirty word

- Shared transport to the UK
- Shared retail connections
- Shared marketing/sales support in the UK
- Shared UK office space.
- Shared invoicing/cash collection/credit risk.
- Shared growth plan within a retail category

We Store **We Pick** We Deliver



Key Take away Messages

- Know your business & where you want your growth to come from.
- Research the market and your choice of supply chain options.
- Don't just focus on the biggest retailers.
- Know your supply chain solution costs before meeting the buyer.
- Get close to your supply chain partner- most have great retail knowledge and should help you grown.
- Rehearse the divorce before you get married- terms and conditions are important and have to be agreed.

We Store We Pick We Deliver

www.oakland-international.com



Contact our Sales and Marketing Team, who will be happy to help!



Gill Hiatt
Sales

+44 (0) 1527 593 975

Hayley Smith
Marketing

+44 (0) 1527 593 953

Edith Hurst-Earl
European Sales

+44 (0) 1527 593 972

firstname.surname@oakland-international.com

We Store We Pick We Deliver



Thank you!

Any Questions?

We Store **We Pick** **We Deliver**

www.oakland-international.com



Green Farm Foods

“As a producer of premium short shelf-life products we needed to insure product freshness wouldn’t be compromised while we offered our products to UK retailers. After discussing our plans for growth with the Oakland team our mind was put at rest. Through their knowledge and professional attitude to business and taking our concerns on board, Oakland were willing to take Green Farm Foods on as a customer even though initial volumes were small. Oakland have backed up their service to us with live order-picking and stock control reports, so we can react quicker to the needs of our customers. Working with Oakland means we can offer our customers the service they require to sustain and develop the category.”

Kenneth Greene

We Store We Pick We Deliver

www.oakland-international.com

