Optimizing Efficiencies, Minimizing Variance & Increasing Variety in Produce Planning

Understanding Your Produce Plan

John Curry Consulting
Outline of Presentation

- Learning objectives
- My experience & qualifications
- Analysis of current planning model
  - Operational and programmatic efficiencies
  - Variance in supply – causes & effects
  - Variety of items
- Introduction of new planning tools
  - Explanation and examples
  - Effective utilization of tools to achieve produce goals
  - Steps in planning the produce plan
- Summary
- Q&A
Learning Objectives

After presentation, participants will:

- Gain a better understanding of current planning practices
- Understand and be able to utilize additional planning tools
- Have the skills and knowledge necessary to more effectively plan produce, more efficiently utilize resources and better serve clients
My Experience

- 10 years at San Francisco Food Bank
  - 4 years as Inventory Manager
  - 6 years as Food Resources Manager
- Operational Consultant for Alameda County Community Food Bank
- UC Berkeley MBA

- Achieved nation’s highest produce pounds per person in poverty in SF (90% higher than #2)
- Grew annual produce distribution by 24% in Alameda
Analysis of Current Planning Model

- Look at current operational and programmatic practices and efficiencies
- Consider the variability of produce supply and its effect on food bank operations
- Discuss maximizing variety of available items, given constraints
Operational & Programmatic Efficiencies (assuming consistent supply)

- Appropriate utilization of warehouse space, equipment and staff
- Consistent levels of food availability for agencies
- Managed expectations for clients

However...
Variation in Supply -- Disequilibrium

- Demand for food relatively constant
- Supply of produce highly variable (seasonal)
- Imbalance in Supply/Demand creates many problems and reduces operational and programmatic efficiencies
  - Agencies and clients unhappy during leaner months
  - Warehouse stressed during bountiful months
Variation in Supply – Disequilibrium

Supply & Demand Variance

QUANTITY

Supply
Demand

Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

SHORTAGE

SURPLUS

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Benefits of Variety

- More variety is healthier
- Decreases “produce fatigue”
  - Increases client satisfaction
  - Increases overall poundage distribution
- Better understanding of overall produce mix and timing of item availability makes achieving greater variety easier
Achieving a Better Understanding of Your Produce Mix

- **How?**
- **Enhanced Planning Tools!**

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For Product Mix / Allocation Planning

For Capacity / Warehouse Planning

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New Tools – Increasing & Maintaining Variety

- **Total Items, Total Fruits & Total Veg**

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- Focus on minimum number of items to order per week
- Commit to agencies to have X number of items available for distribution at any given time
- Plan and order produce to hit these targets
New Tools – Capacity, Variance & Operational Efficiency

- **Total Truckloads and Total Pallets**

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- **When planning and doing trade-off analysis, think in terms of truckloads**
  - Apples to apples comparison (i.e. pallet sizes, shapes and weights too varied for easy comparison)
  - Consider, say, the relative value of 1 TL of a year-round fruit versus a half TL of something only available for a short time
# New Tools – Example of Planning by Truckload

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When planning capacity and warehouse utilization, think in terms of pallets.

Determine what is:
- Maximum number of pallets per month?
- Minimum number of pallets necessary?
- Ideal number?

Reduce swings in pallets per week or month to decrease variance and increase efficiency.
New Tools – Plan the Planning

Steps in Preparing Produce Plan

- Look at previous order
- Create ideal/max order
  - Base this on agency needs & capacity
  - Perform trade-off analysis of items with internal stakeholders
- Look for larger patterns in potential order
- Pull back, strategically, based on perceived financial and operational constraints
- Challenge those constraints – push forward!
- Repeat above steps as needed, then set order
Summary

- Wide seasonal swings in produce availability can diminish operational efficiency and create problems with agencies
- Underlying seasonality cannot be changed
- Greater awareness of product mix and planning can mitigate variance
- Utilizing these new planning tools will decrease seasonal poundage swings, increase variety and reinforce operational efficiencies
- This is simple, and it works!
Contact Info and Thanks

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- jcurryconsulting@gmail.com

Thank You and… Any Questions?