



# Second Harvest Food Bank

## Warehouse and Distribution Reengineering - The San Jose Experience

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# About SHFB

## **Service Area:**

- Santa Clara and San Mateo Counties

## **People Served:**

- Average 250,000 people per month

## **Pounds Distributed:**

- Over 45 million in FY2012

## **Produce Pounds:**

- Over 50%





# Prior to April 2012



## Bing Center

- Distribution
- Warehouse
- Sort
- Shopping
- San Mateo Co.
- 22,000 sq. ft.



## Curtner Center

- Distribution
- Warehouse
- Sort
- Shopping
- Santa Clara Co.
- 65,000 sq. ft.



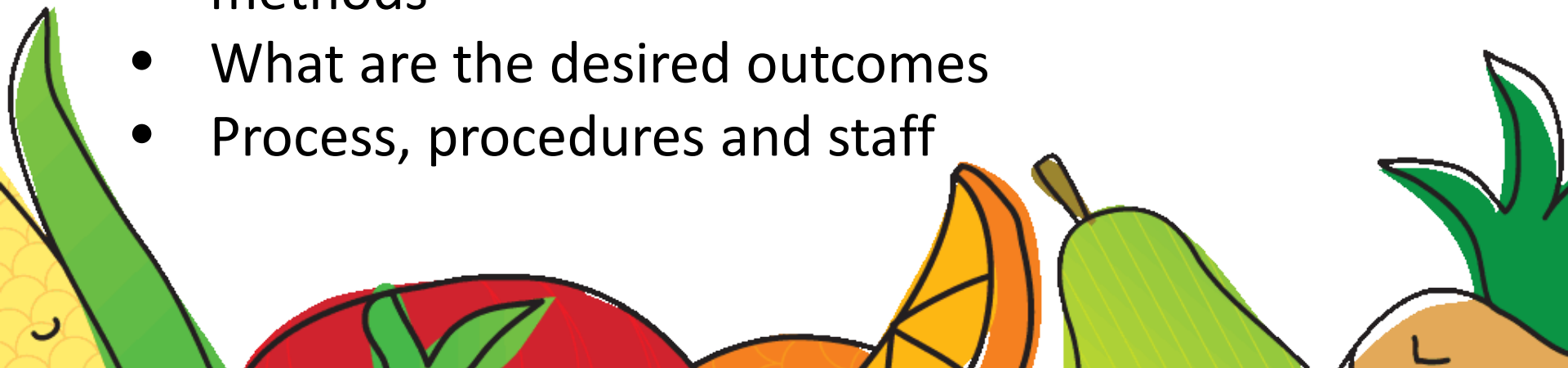


# Free is Good?

**Cypress Semiconductor donates a building to Second Harvest.**

## **What does this mean?**

- Operating from 2 to 3 facilities
- Can we scale utilizing the current distribution methods
- What are the desired outcomes
- Process, procedures and staff

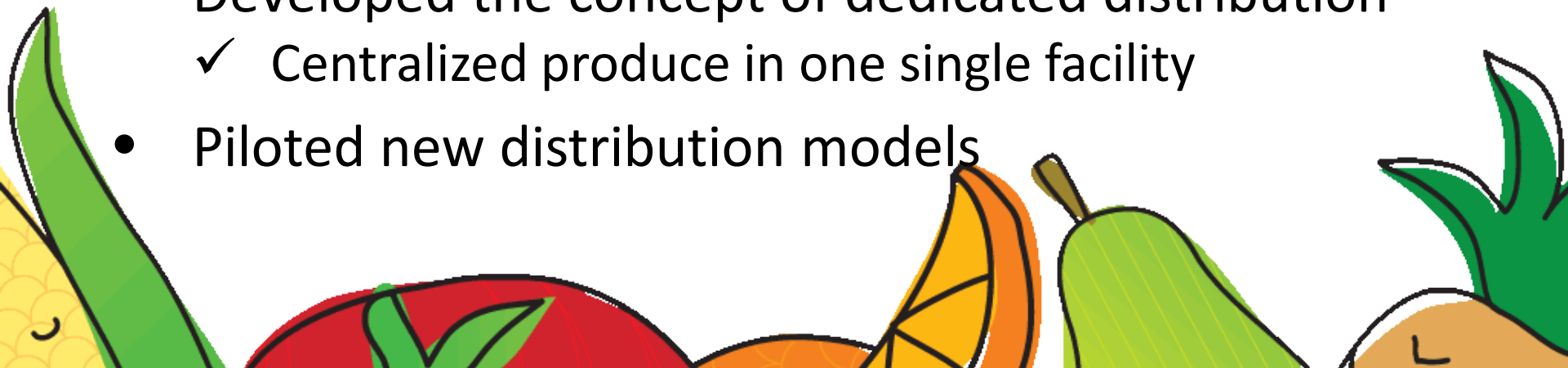




# Rethinking the Current Models

## What We Did:

- Brought in an expert to spearhead the initiatives:
  - ✓ Optimize supply chain
  - ✓ Improve customer service
  - ✓ Improve demand management
- Mapped existing processes
- Benchmarked with other Food Banks
- Developed the concept of dedicated distribution
  - ✓ Centralized produce in one single facility
- Piloted new distribution models





# “Pull” Distribution Model

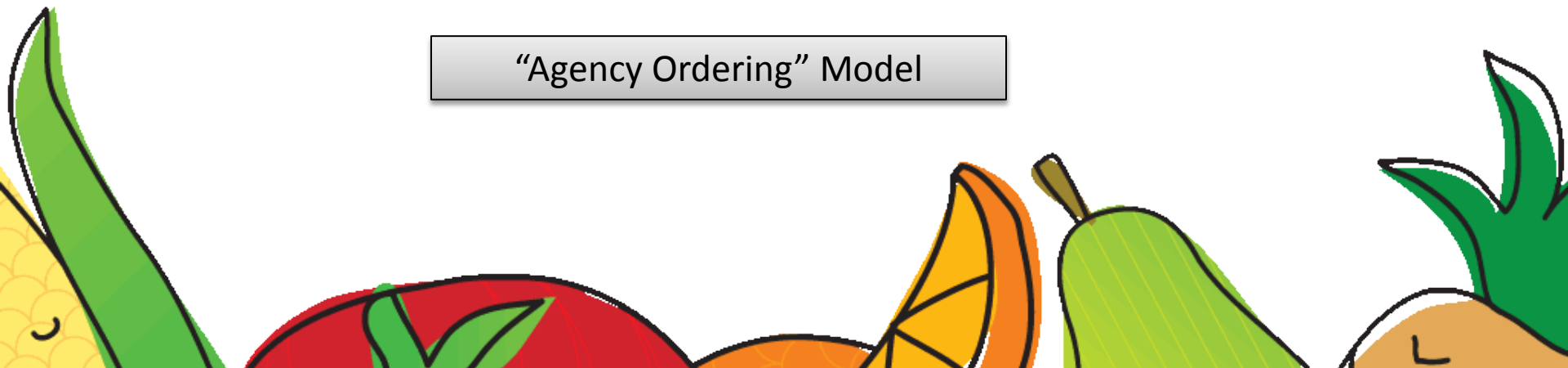
## Advantages

- For agencies:
  - Desired product mix
  - Flexibility
- For food bank:
  - Less “admin” (menu creation)

## Disadvantages

- For food bank:
  - No way to forecast demand
  - Limits ability to adjust produce flow based on availability
  - Promotes “cherry picking” of favorites by agencies

“Agency Ordering” Model





# “Push” Distribution Model

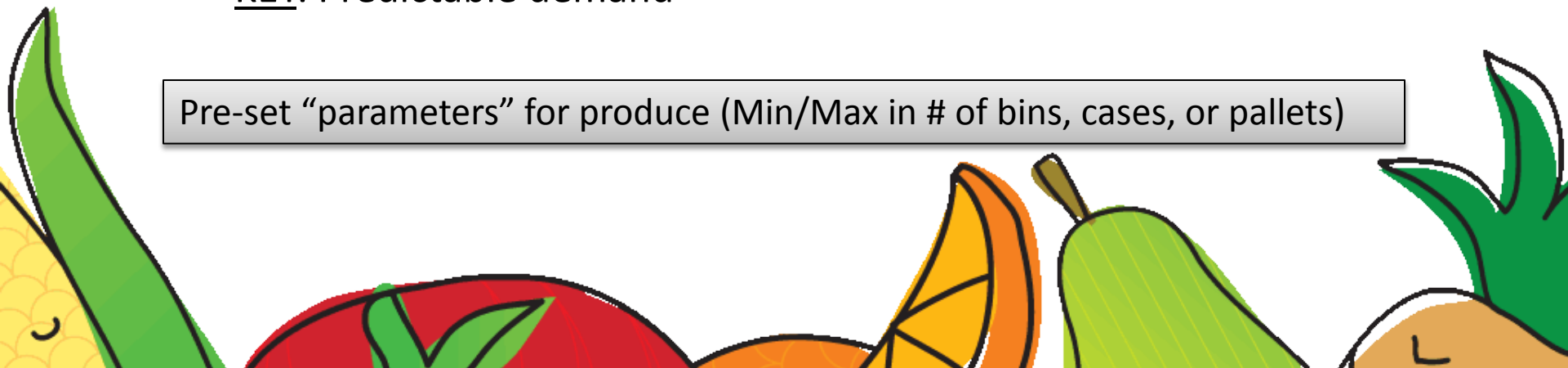
## Advantages

- For agencies:
  - No need to place order
- For food bank:
  - Control flow of produce mix by season
  - Not just “popular” produce!
  - KEY: Predictable demand

## Disadvantages

- For food bank and agency:
  - Requires more up-front planning
  - May need to adapt to new product

Pre-set “parameters” for produce (Min/Max in # of bins, cases, or pallets)





# After April 2012



## Bing Center

- Sort
- Shopping
- 22,000 sq. ft.



## Curtner Center

- Distribution
- Warehouse
- Shopping
- 65,000 sq. ft.
- Non-produce



## Cypress Center

- Distribution
- Warehouse
- Sort
- 75,000 sq.ft.
- Produce







# Total Square Footage

## Combined 3 Facilities:

- Total: 162,000 sq. ft.
  - ✓ Excluding office: 100,000 sq. ft.
- Cooler: 11,600 sq. ft. (quadrupled)
- Freezer 4,700 sq. ft. (doubled)
- Dock Bays: 17





# Cypress Center

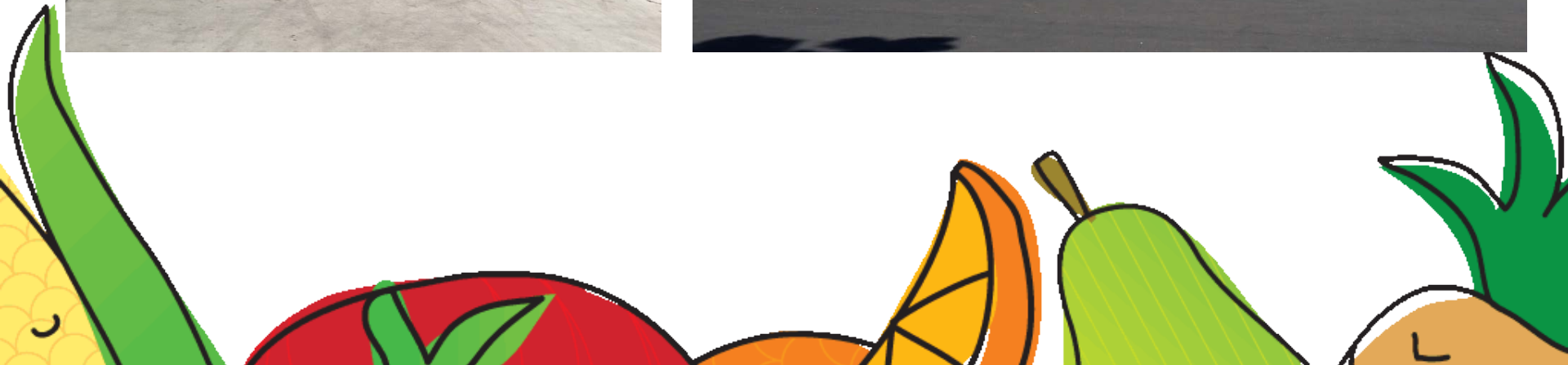
## Specs:

- Facility: 75,000 sq.ft.
- Cooler: 8,000 sq.ft.
- Freezer: 2,000 sq.ft
- 9-Dock Bays
- 2-Ground Level Bays
- Produce Central



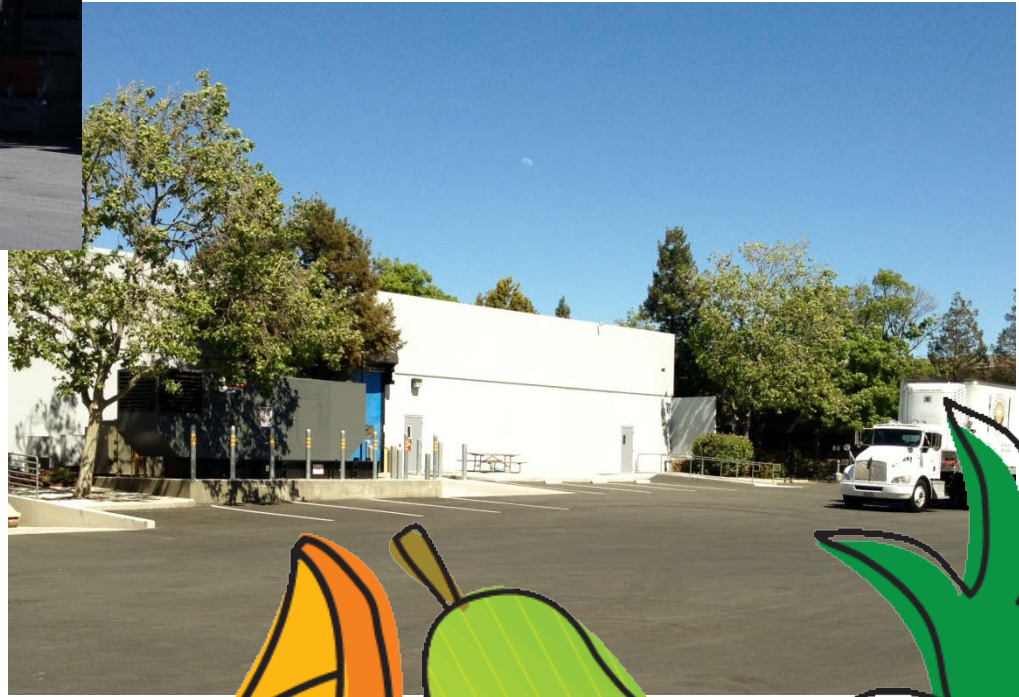


# Cypress Center





# Cypress Center



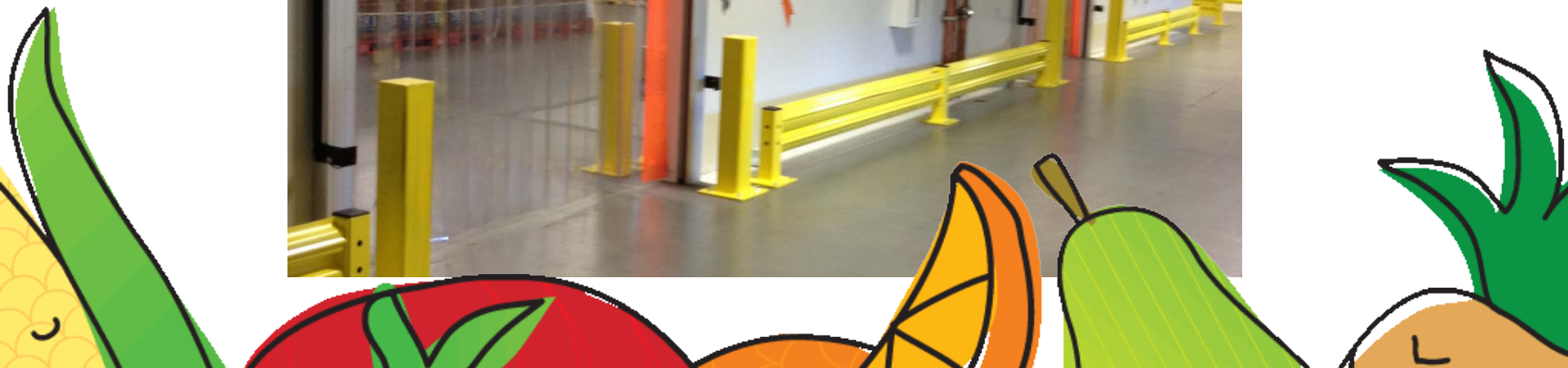


# Cypress Center





# Cypress Center







# Cypress Center





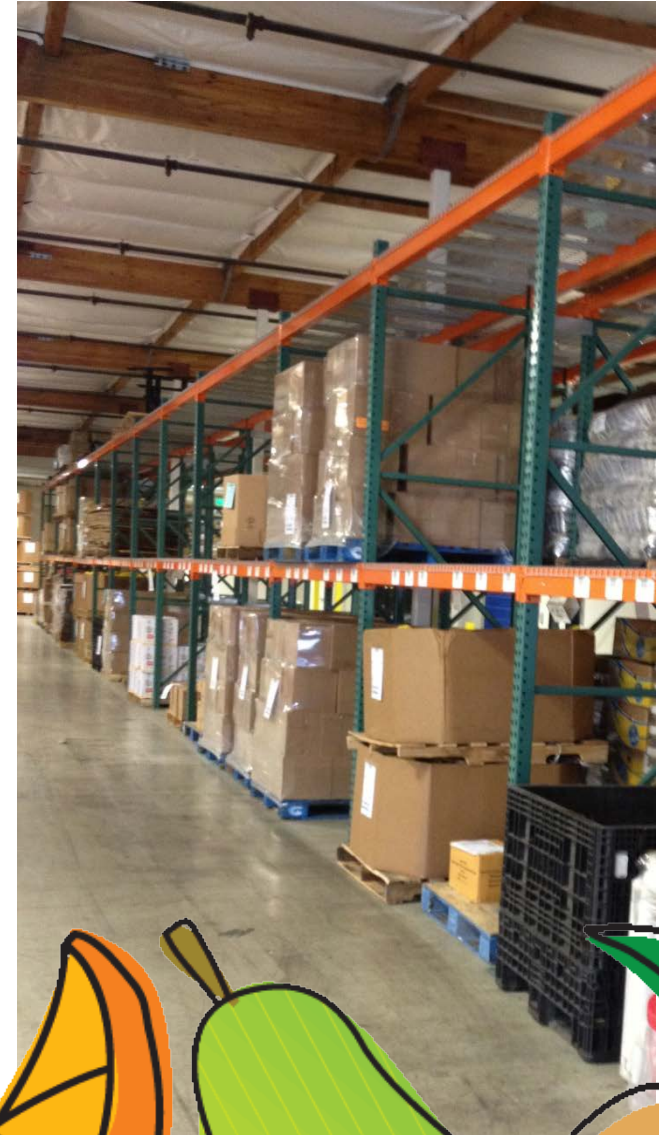


# Cypress Center





# Cypress Center





# Cypress Center





# Distribution Models

<p>2 Facilities Similar Functions</p>	<ul style="list-style-type: none"><li>• Sort</li><li>• Agency Shopping</li><li>• Distribution</li><li>• Warehouse</li></ul>
<p>3 Facilities (new) Dedicated Functions</p>	<ul style="list-style-type: none"><li>• Sort - Bing &amp; Cypress</li><li>• Agency Shopping – Bing &amp; Curtner</li><li>• Distribution – Curtner &amp; Cypress</li><li>• Warehouse – Curtner &amp; Cypress</li></ul>





# Key Learnings

- Bring in an expert
- Frequent communication to staff
- Staff engagement
- Solicit feedback
- Pilot and test drive distribution methods
- Continuous assessment/improvement





# Success

- Distributing significantly more produce
  - ✓ 27% increase over the same period
- Produce is turning faster
- Waste lower
  - ✓ 1% decrease over the same period
- Agencies and clients are satisfied with quality and volume available based on feedback





# Discussion

## Questions?

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