

National Grocers Co., Ltd.

Weston, Ontario

Client

National Grocers Co., Ltd. is the largest distributor of groceries in Canada and one of the largest in North America. President's Choice products, the company's private label, are tremendously successful and have set the standard for quality and price among all private brands. National Grocers distributes to a network of company-owned retail chains in Canada. The parent company, Loblaws Brands, Limited, also controls the sale of President's Choice products to independent retailers in the United States.

Problem Statement

National Grocers was looking for a way to form cooperative and partnership relationships with key suppliers in order to improve performance on quality, lead times, inventories, waste, and cost for its private label brand products.

Scope-Of-Work

Tompkins Associates assisted National Grocers in developing a strategy to conduct performance improvement projects jointly with three suppliers identified by National Grocers. Tompkins acted as an impartial third party, led the process through initial operations assessments, and then provided project management, consulting, and training of National Grocers' staff on specific projects mutually selected by the partnering companies. Once potential partners were identified and targeted, the process with each supplier included:

- An orientation to explain the partnering objectives and the process forward
- A two-day initiation study conducted by Tompkins and National Grocers' engineers at supplier's facility in order to identify potential opportunities for improvements
- A presentation of initiation study results along with recommendations for projects to pursue
- A six to eight-week detailed project phase led by Tompkins which focused on the specific projects mutually agreed on by the partnering companies
- A presentation of the results of the detailed projects along with projected costs and savings associated with all recommendations
- A proposal to implement recommendations and share costs and savings

continued on back

Results

Through the partnership initiative, National Grocers and its supplier companies were able to develop synergy and take advantage of each other's expertise in specific areas. As a result, the total costs of forecasting, manufacturing, warehousing, and distribution were lowered. The communication of vital information was improved with each partner sharing responsibility, and thousands of dollars of annual savings were identified within the manufacturing and distribution pipeline.