

Food & Agriculture

Improving Your Supply Chain Has Become an Imperative










The food & agriculture industry often experiences significant stress throughout its supply chain, and the emergence of COVID-19 has compounded these pressures. Raw-ingredient suppliers are strained, and “manufacturers” are unsure when and how they will receive their ordered goods. The problems many are seeing across the industry include supplier risk, food safety, manufacturing floor design and the surge of a technology-enabled workforce.

FTI has seen and solved these concerns for years before the arrival of COVID-19 and we see an expedited need for change across many organizations in the industry. In order to sustain revenue and grow in a post-COVID-19 world, companies must adjust to three major forces affecting operations:

- 1. Improved visibility and cost management** – Enhancing technology will improve the visibility of operational data, enabling better management of avoidable costs.
- 2. Reaction time to crises** – Traceability of the supply chain for regulatory and food safety concerns must be optimized.
- 3. Adapting to changing societal norms** – Social distancing and reduced work forces will impact productivity and output, but customer expectations remain high.

Our solutions, developed from decades of experience, can help manage your costs, improve operational visibility, and assess your overall supply chain capabilities, enhancing your financial and operational performance and mitigating risks due to COVID-19 or other unforeseen challenges.

Selected Food & Agriculture Capabilities:

 <p>Lean Transformation</p> <ul style="list-style-type: none"> – Manuf. floor design – Process efficiency 	 <p>Sourcing & Supplier Risk</p> <ul style="list-style-type: none"> – Supplier diversification – Supplier risk assessment 	 <p>Inventory Management</p> <ul style="list-style-type: none"> – Cost reduction – Safety stock analysis
 <p>Network Optimization</p> <ul style="list-style-type: none"> – Warehouse consolidation – Network latency reduction 	 <p>RPA</p> <ul style="list-style-type: none"> – Back-office automation – Transaction time reduction 	 <p>Blockchain</p> <ul style="list-style-type: none"> – Supply chain traceability – Recall tracking
 <p>Working Capital Optimization</p> <ul style="list-style-type: none"> – DSO reduction – Align procurement cycles 	 <p>Industry 4.0</p> <ul style="list-style-type: none"> – Warehouse automation – Manufacturing flexibility 	 <p>Logistics</p> <ul style="list-style-type: none"> – Cost benchmarking – 3PL evaluation

Food and Agriculture: Digital Use Cases

Food traceability has become even more important in the food & agriculture industry as consumers increasingly expect socially responsible business practices concerning food safety and labeling. In addition, the benefits of traceability during a recall or supply chain disruption can significantly reduce the impact to your operations and balance sheet.

What are you using to support traceability and minimize disruption? Today there are multiple options, from blockchain technology, to ERP one-up, one-down (OUOD) capabilities and more. Blockchain is the newest technology in traceability, and a properly implemented blockchain can provide end-to-end visibility within seconds. OUOD is a more economical option that offers streamlined change management to help fill in the gaps.

Our experts have assisted our clients in making these digital and non-digital supply chain decisions that help organizations prepare for the inevitable rainy day. **Some examples of Use Cases from our experts include:***



SITUATION: Major retail grocery store was concerned about recent front-page media reports that up to 66% of the time, fish are incorrectly being labeled as wild catch, resulting in 25%+ lower sales of wild caught fish.

OUR ROLE: Working with key U.S. states and foreign governments, the major retailer created end-to-end blockchain of primary wild-catch fish species, tracking each movement within the supply chain back to the catch. Fish are rejected if the blockchain does not allow a proper data “handshake” at each step of transport and processing, which eliminates the practice of introducing fish that are not wild caught to the weight.

OUR IMPACT: Consumer can quickly scan the QR code of any fish in the store (including at the seafood counter) and get an immediate readout copy of where the fish was caught and all steps of processing and transportation. Retailer saw a 15% increase in volume of wild caught fish from historical levels.



SITUATION: Major multinational CPG company worried that smallholder coffee farmers in Africa were not getting paid appropriately due to complex and entrenched supply chains, which skew benefit to brokers who have access to pricing data.

OUR ROLE: A financial platform for sending payments directly to smallholders over their phones via SMS was created based on the blockchain traceability of origin of the beans, which are later graded almost 1,000 miles away. The program included the ability of smallholder coffee farmers to check prices in several markets in real-time.

OUR IMPACT: Smallholder farmers earned nearly twice as much revenue. CPG company lowered procurement costs by eliminating need for brokerage and started directly picking up beans from farmers. Corporate Social Responsibility lift tied to program is credited for high single-digit market shift between CPG brand and its leading EU competitor.

*engagements led by FTI Employees prior to joining the firm

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