



# Stonyfield Farm and the SmartWay Partnership

# Who We Are



- We started on a farm in Wilton, New Hampshire in 1983.
- We began as a farming school that taught sustainable agricultural practices.
- Our goals were to help family farms survive and to help protect the environment.

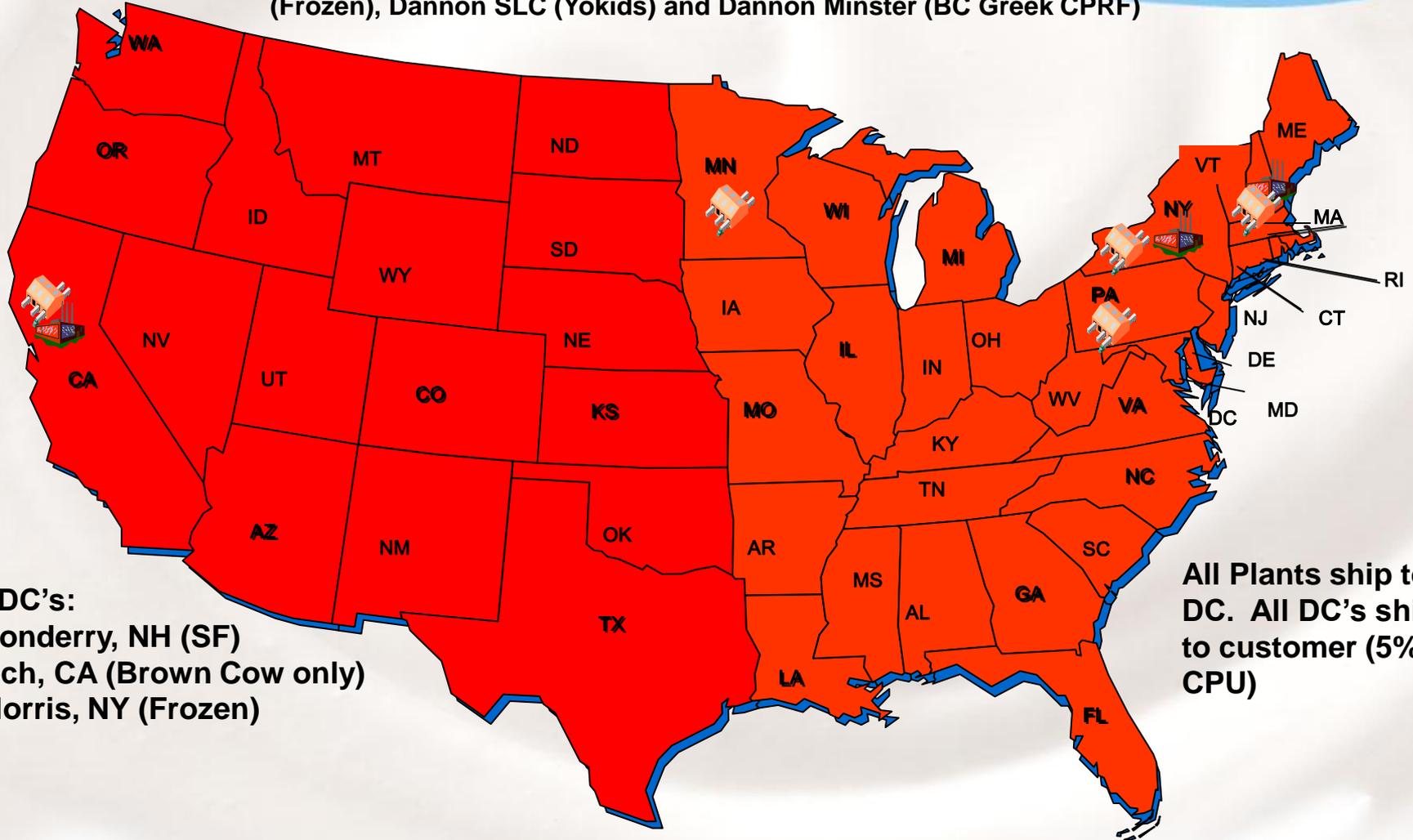


# Supply Chain Network



## August 2013

Seven Mfg Loc: Lon, NH (SF), Antioch, CA (BC), Farmington, MN (Squeeze), Shippensburg, PA (Oikos), Akron, NY (Frozen), Dannon SLC (Yokids) and Dannon Minster (BC Greek CPRF)



- Three DC's:
- Londonderry, NH (SF)
  - Antioch, CA (Brown Cow only)
  - Mt. Morris, NY (Frozen)

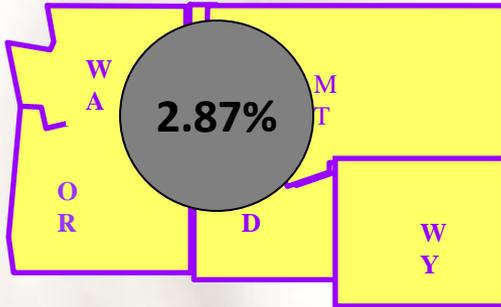
All Plants ship to DC. All DC's ship to customer (5% CPU)

# Logistics Network

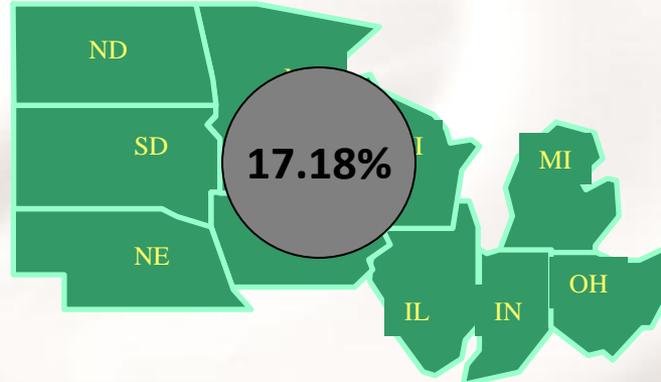
## % Volume by Region - SF



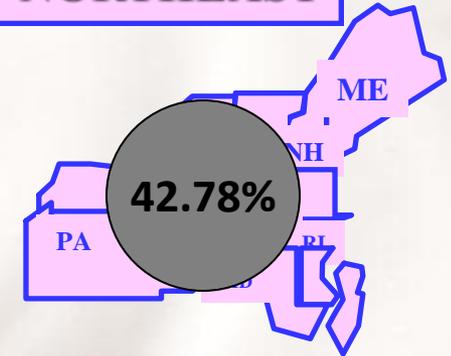
### NORTHWEST



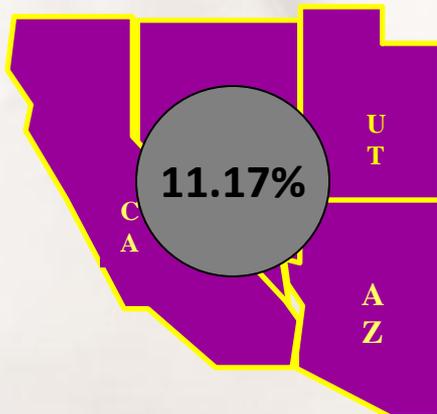
### UPPER MIDWEST



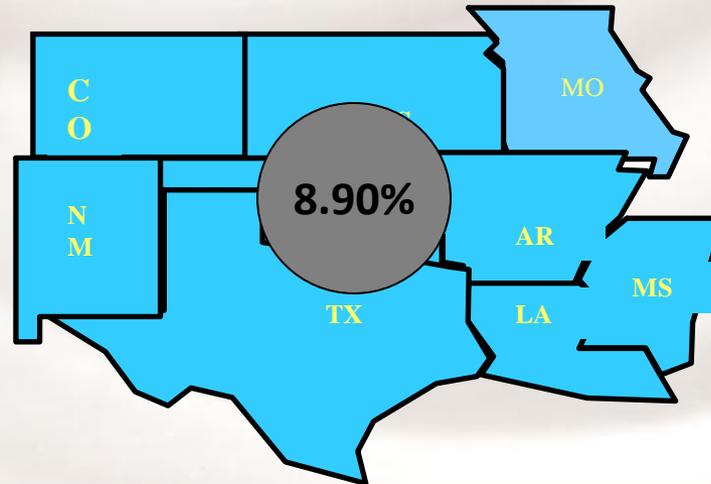
### NORTHEAST



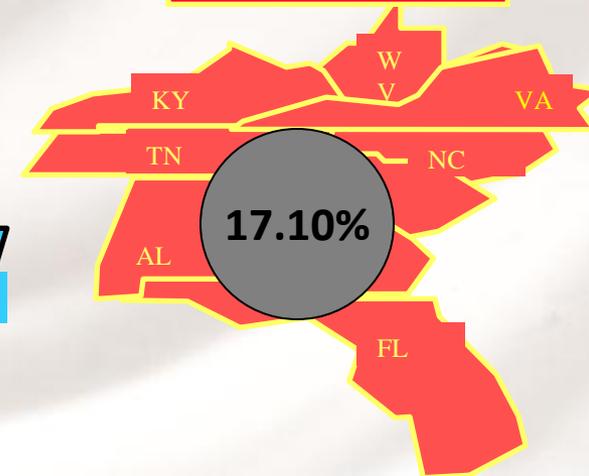
### WEST



### LOWER MIDWEST



### SOUTHEAST



# Why EPA SmartWay?



- **Mission**
- **Partnership**
- **Community**
- **Metrics**



# Journey



**Joined in  
2008**

**Retrofit  
Ryder Fleet  
equipment**

**2009  
Awarded  
'SmartWay  
Excellence  
Award'**

**2011 Begin  
use of on-  
site Bio  
Diesel**

# Initiatives



- **Improve OB Truckload Utilization**
  - Six Sigma
- **Transition Brown Cow from LTL to TL**
  - Carrier base, customer expectations
- **Integrate with Danone SAP Carbon Tool**
  - Align data
- **On Site Bio Diesel Tank Installation**
  - Expand use to local consumers
  - Partner with Harvard Business School for study
- **Network Study**
  - DC location, customer mix
- **Implement TMS**
  - Streamline access to wider range of data, real time



# Truckload Utilization



## Summer / Fall 2011

- Lean Six Sigma: Achieve/Maintain 90% OB Truck Utilization
  - Develop a consistent and realistic standard
  - Link Utilization with cost and carbon impact
  - Customer Impact / Buy In
  - Cross Functional



	AVG TL WT	TRUCKLOADS	UTILIZ.
SEPT	31,560.00	575	78.9%
OCT	33,960.00	500	84.9%
NOV	36,520.00	207	91.3%
SEPT w/91.3% util.		497	
Avg Load Dist		1146	
Reduced Miles		569,454.05	
TONS CO2 REDUCTION		1,159.73	
(1) Based on EPA Smartway calculation, Miles * 0.00000110231 * 1847.54			

**PLAN**

**Theme:** Increase total network utilization and decrease transportation costs.

**Problem Statement:**

Due to our proactive transportation planning, we are unable to react to unanticipated low-fill rates. This causes utilization to decrease while transportation costs are increasing. Contributing factors are inadequate reporting and lack of access to real time reporting.

**Observations:**

Currently, the business budgets for 88% utilization. In the month of August utilization dropped to 75%.

One disadvantage is customer requirements. Research has shown, that meeting customer requirements only has major implications in the Northeast/Fleet region.

The key adversary is that loads are built with the assumption of 100% fill-rate. We've discovered that every 1% decrease in fill rate is equal to 1.1% decrease in utilization (see Formula A). The cost per 1% decrease in utilization from 88% equals \$19,200 (see formula B).

**Formula A:**

$A/B = \text{Utilization Impact}$        $A = \text{Weighted AVG of Short Impact (5.26\%)}$

**Formula B:**       $B = \text{Actual Fill Rate (4.78\%)}$

$[(X - Y) + Z] \times .0584 = \text{Impact of 1\% in Truck Utilization}$

$X = \text{Goal Weight (88\%)}$   
 $Y = \text{Actual Weight Shipped}$   
 $Z = \text{Weight of Shorts}$   
 $.0584 = \$/\text{lbs (E2)}$

Loads built with Ideal Circumstances vs. Actual Circumstances

# Truck Utilization Stonyfield Organic - Londonderry, NH

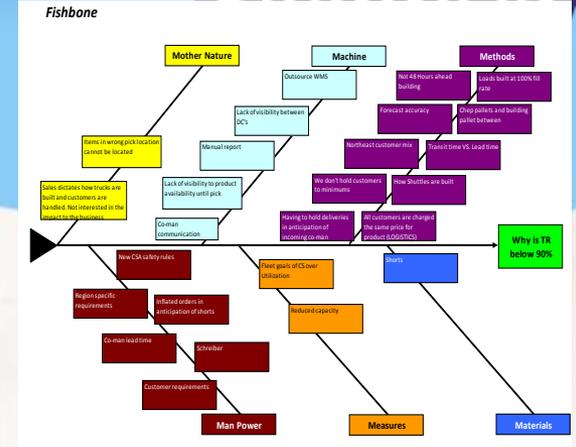
**TARGETS**

- A. Achieve 90% total network utilization at 100% fill-rate.
- B. Establish singular utilization targets for each region.
- C. Establish a more efficient report out.

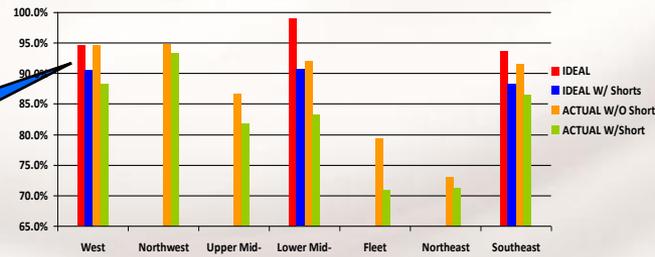
**TEAM:**

**Team Leader:** Pat Dillon  
**Champion/Sponsor:** Kevin Connors  
**Process Owner:** Renee Sherman  
**Mentor:** Roger Blake  
**Team Members:** Renee Sherman, Dick St.Gelais, Jennifer Keyes, Herbie Bonk, Kevin Connors, Ryan Boccelli  
**Green Belt Contributors:** Dave Baxter, Kim Reilly

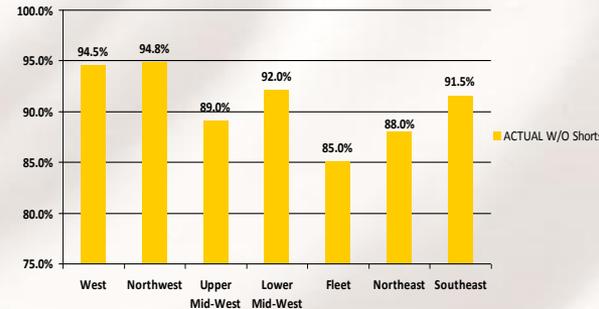
**CHECK**



Total Network Utilization - Aug 21 - 27, 2011

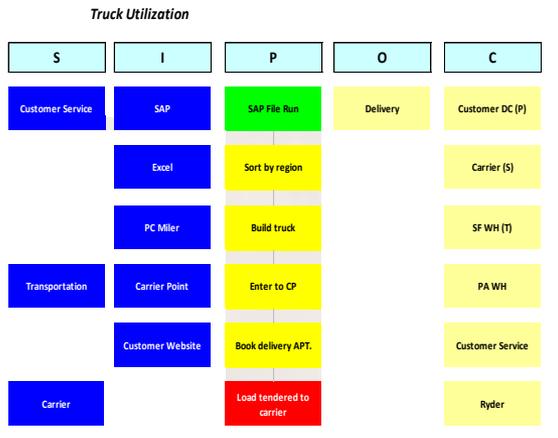


Total Network Utilization - Future State



**ACT**

- Parking Lot**
- Out of route rule
  - Repeating systems
  - Utilization vs. Accessorials
  - Aligning KPI's



DO Implementation Plan			
Action Item	Plan date	Actual date	Status (R,Y,G)
CS to try and shift delivery days	9/19		Y
"Piggy-back" with Common Carrier	9/19		Y
Utilize Shuttles for 1 stoppers	9/19		Y
CPU for smaller customers	9/19		Y
Create weight cut-off for putting back to "optimizers"	9/19		Y
Meet with local customers to explain impact	11/7		R
Create LTL Network	11/7		R
Freight Brokerage	12/19		R



# Utilization- Customer Impact



## Identified 'low hanging fruit' customers

- NYC / NJ
  - Engage customer solutions team and sales
  - Communication



October 24, 2011

Dear Stonyfield Customer:

Over the past 3 months, the Supply Chain team has seen a marked rise in Transportation related CO2 emissions. As we dug into possible contributing factors for these increases, we came to understand that truck utilization, the measurement of how well and how often we maximize the 40,000 lbs max of product on each trailer, was increasingly falling below our goal of 90% across all regions.

Further investigation found that the Northeast region (VT, NY, NJ, MD, PA, CT, MA, ME, RI and NH-67% of our total volume) consistently shows the lowest utilization, at 79.4% (9/4-10/16).

We have found that our NYC / NJ customer base is extremely impactful to this number. To address this, we plan to make the following changes to customer ordering patterns and delivery schedules: [NYC-NJ ACTUAL VS IDEAL with pgi.xls](#)

# Utilization- Buy In



Truck Utilization			NOV. 7-13		
	Actual	Goal		Actual	Goal
Overall: (w/ Shuttle)	92%	90%	UMW	94.1%	89%
Overall: (w/ Shuttle)	92.4%	90%	West	90.2%	94.5%
Shuttle:	94.0	93%	NW	97.8%	94.8%
NE	88.8%	88%	CASES: 747,373		
Fleet	84.6%	85%	LBS: 5,181,601		
SE	93.2%	91.5%	LOADS: 86		
LMW	96.1%	92%	(*No IB, CPU or Returns*)		

# Moving Forward



## Increase use of Intermodal solutions

- Lane analysis

## Synergies

- Dannon USA, Danone Canada

## Peers

- Challenges, Opportunities, Ideas

