



Supply Chain

Moneyball 2.0 Leadership training



Proudly made in JOE collaboration with

Christian Ravenberg

#512 - Head of Supply Chain



AGENDA

- 1 **Why is this skill important?**
- 2 How to master the skill
- 3 Sum-up and Impact
- 4 How to apply into practice



WHY IS THIS SKILL IMPORTANT?

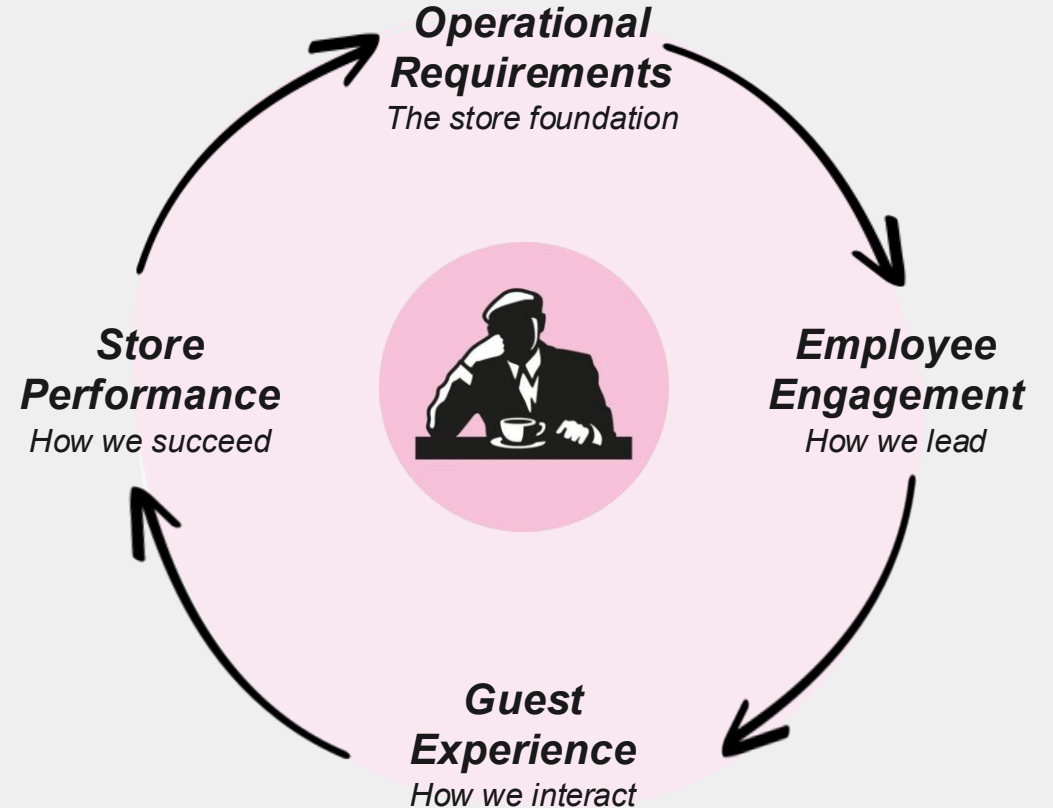
Learning goals for this manager session

LEARNING GOALS

Understanding your COGS effect on the stores' P&L and how to optimize it through managing ideals, waste and stock handling procedures:

1. Recap of **count and waste ladder** to manage stock
2. Understand all elements of the **COGS report**
3. Identify discrepancies **between orders, deliveries & invoice**
4. Update **ideals** to reflect seasons and in-store trends

CIRCLE OF OPERATIONAL EXCELLENCE

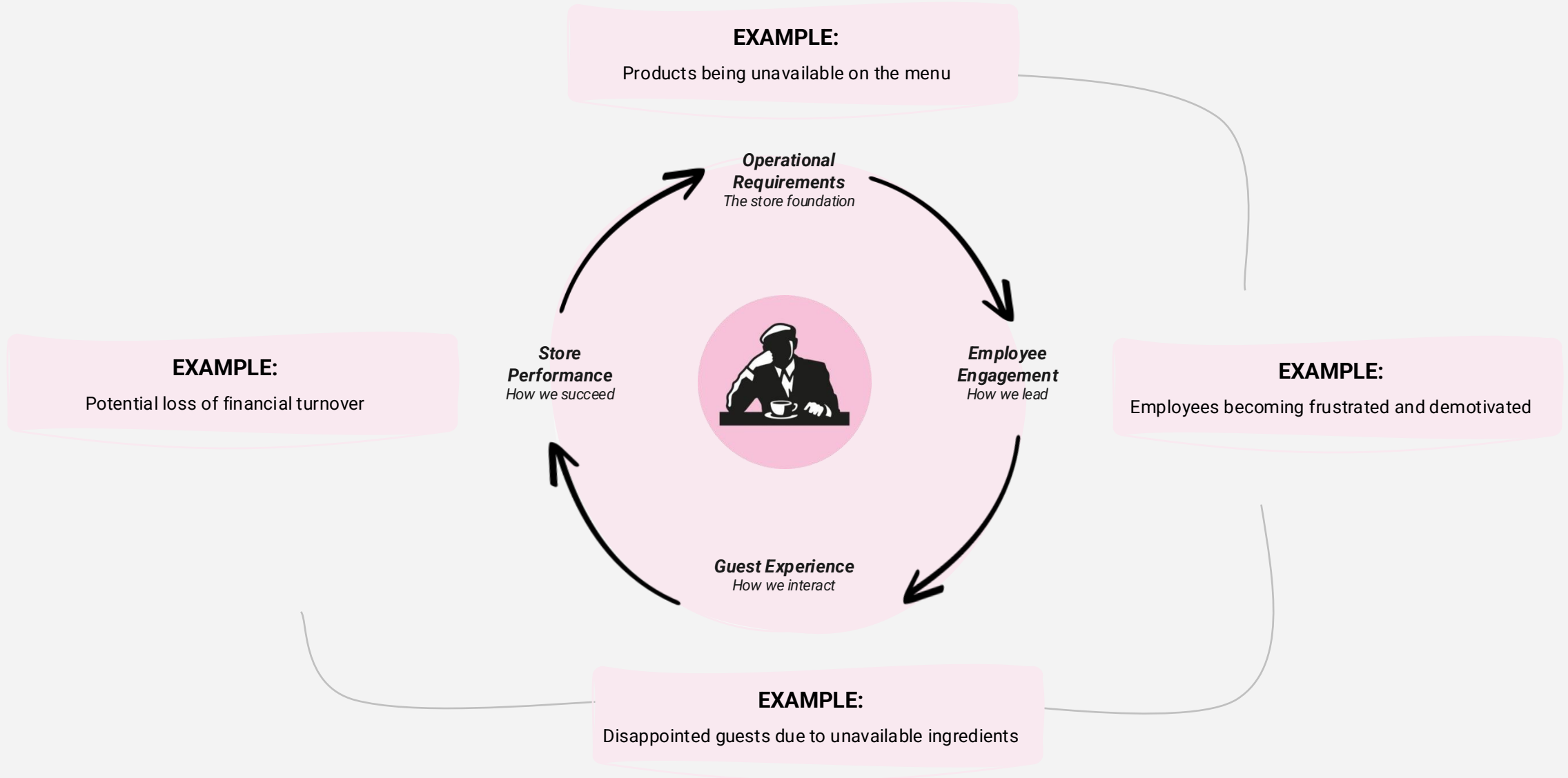


How does mastering these skills affect each area within
the Circle of Operational Excellence in your store?



WHY IS THIS SKILL IMPORTANT?

How does mastering these skills affect each area within the Circle of Operational Excellence?





AS WE SAY IN JOE

Why do we say it?

“ONE APPLE MORE
ONE LESS STORE”





PURPOSE

Striving for Operational Supply Chain Excellence

By analyzing the financial impact and elements in the COGS reports, we support leaders track costs and identify **opportunities to reduce unnecessary expenses.**

*"Our goal is to **align supply chain and operational decisions with overall business goals**, driving better performance and long-term success."*

- Global Supply Chain Department



AGENDA

1 Why is this skill important?

How to master the skill

- Counts & Waste Ladder Recap

2

- Performance Measurement
- The COGS Report – Profits & Losses
- Day-2-Day Supply Chain Leadership

3 Sum-up and Impact

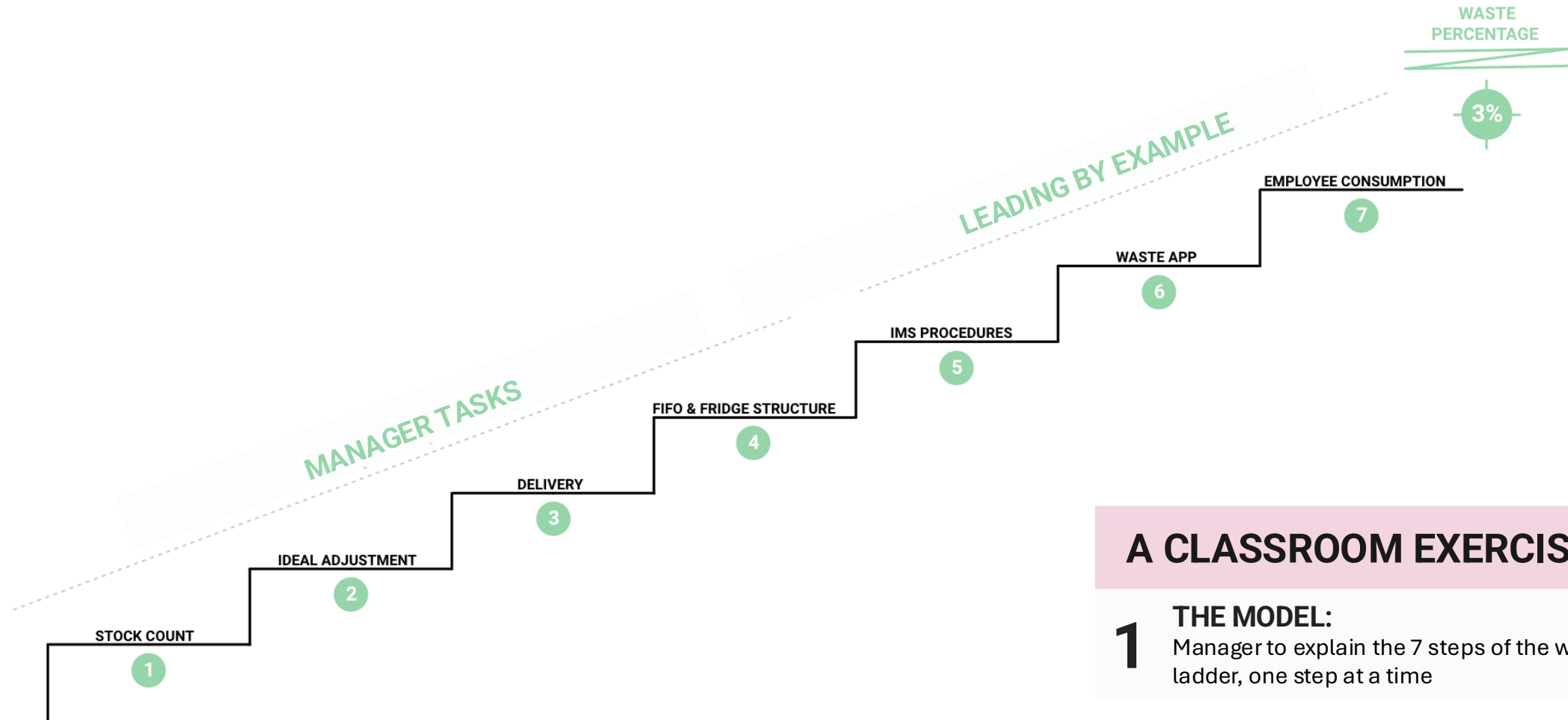
4 How to apply into practice





THE WASTE LADDER

Walkthrough of the 7 steps of an already known concept



A CLASSROOM EXERCISE

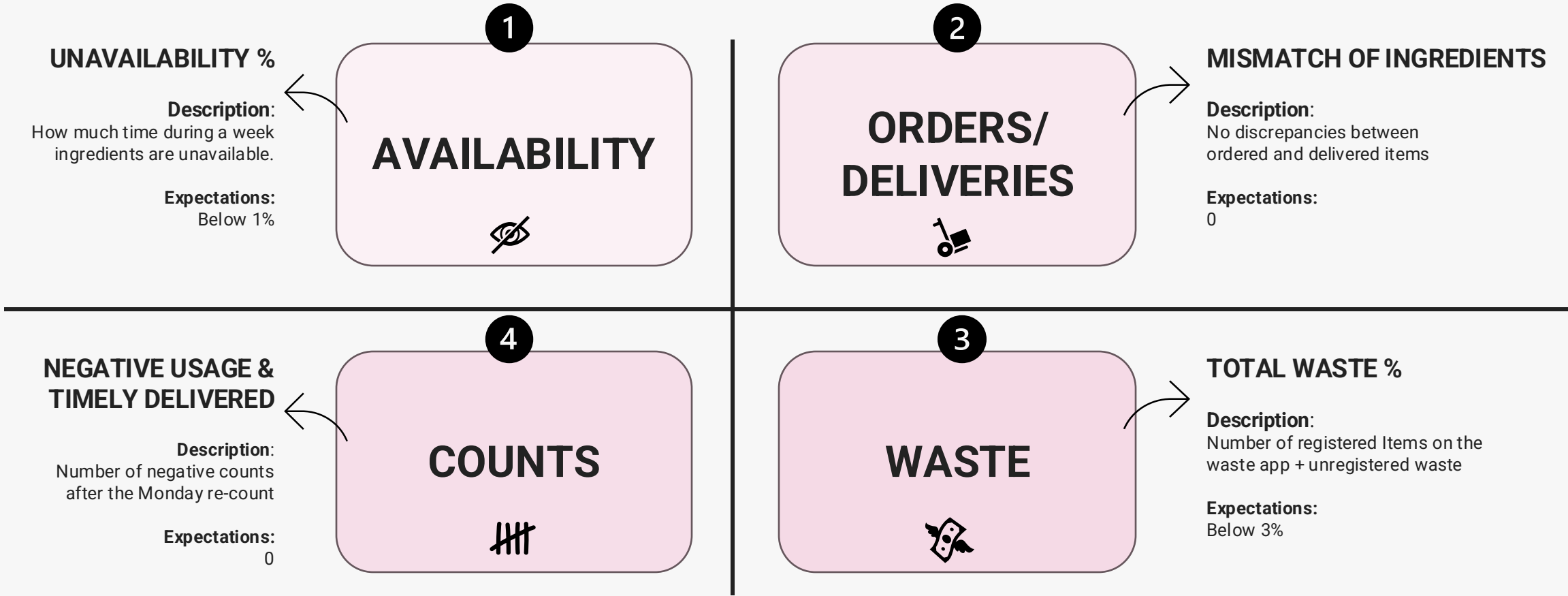
- 1 THE MODEL:**
Manager to explain the 7 steps of the waste ladder, one step at a time

These steps ensures an optimized and as low as possible waste %
- Use as trouble shoot guide for high waste.



HOW WE MEASURE PERFORMANCE

Your four parameters within supply chain



The Store Manager ensures high product availability, timely and correct orders and deliveries, accurate stock counts, and minimal waste through effective supply chain management and operational efficiency.



A COGS DEEP DIVE

Understanding the 8 parameters within COGS

| | | | |
|--------------|----------|--------|--|
| Turnover | 1.000,00 | | |
| COGS | - 200,00 | -20,0% | |
| DOC | - 100,00 | -10,0% | |
| Salary | - 250,00 | -25,0% | |
| Rent | - 150,00 | -15,0% | |
| Delivery Fee | - | 0,0% | |
| SOC | 300,00 | 30,0% | |

| | |
|--------|--------------------------------|
| COGS | Cost of Goods Sold |
| DOC | Direct Operational Costs |
| Salary | Salary Costs |
| Rent | Location Costs |
| SOC | Store Operational Contribution |

COGS REPORT

| | | | |
|---|--------------------|----------|--------|
| 1 | Food Costs | - 200,00 | -20,0% |
| 2 | Packaging Costs | - 10,00 | -1,0% |
| 3 | Registered Waste | - 10,00 | -1,0% |
| 4 | Unregistered Waste | - 20,00 | -2,0% |
| 5 | Employee Meals | 15,00 | 1,5% |
| 6 | Distribution | 50,00 | 5,0% |
| 7 | Bonus | - 20,00 | -2,0% |
| 8 | Discounts | - 5,00 | -0,5% |

DEFINITIONS

- 1 FC: Cost of ingredients used in sold products.
- 2 PC: Cost of takeaway packaging.
- 3 RW: Documented waste (via waste app).
- 4 UW: Undocumented waste, grey area.
- 5 EM: Tracking of employee meals.
- 6 Di: Cost of deliveries and fees.
- 7 Bo: Cashback and bonus deals with suppliers
- 8 Dis: Campaigns, Black card, etc.

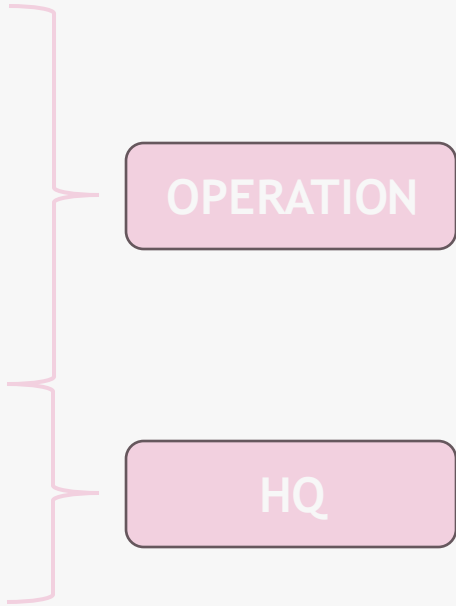
This report provides important insights on where and how overall costs are distributed and hereby understanding how to find solutions and implement actions to improve



THE COGS REPORT & YOUR MANAGER IMPACT

Understanding where you can impact as a manager and where HQ will do the job

| | Budget | | Executed | | Budget Δ | |
|----------------------------------|------------|------------------|-----------|------------------|------------|-------|
| Turnover | 100.000,00 | | 90.000,00 | | -10.000,00 | |
| Food Costs | - | 15.000,00 -15,0% | - | 13.500,00 -15,0% | 1.500,00 | 0,0% |
| Packaging Costs | - | 750,00 -0,8% | - | 675,00 -0,8% | 75,00 | 0,0% |
| Registered Waste Costs | - | 2.500,00 -2,5% | - | 2.500,00 -2,8% | - | -0,3% |
| Unregistered Waste Costs | - | 1.000,00 -1,0% | - | 1.000,00 -1,1% | - | -0,1% |
| Product Costs - Employee Meals | | 1.000,00 1,0% | | 1.000,00 1,1% | - | 0,1% |
| Distribution And Logistics Costs | - | 1.500,00 -1,5% | - | 1.250,00 -1,4% | 250,00 | 0,1% |
| Supplier Bonus Costs | | 1.500,00 1,5% | | 1.500,00 1,7% | - | 0,2% |
| Discount Or Campaign Costs | | 500,00 0,5% | | 750,00 0,8% | 250,00 | 0,3% |
| COGS (Cost of Goods Sold) | - | 17.750,00 -17,8% | - | 15.675,00 -17,4% | 2.075,00 | 0,3% |
| GM (Gross Margin) | | 82.250,00 82,3% | | 74.325,00 82,6% | - 7.925,00 | 0,3% |



This report provides important insights on where and how overall costs are distributed and hereby understanding how to find solutions and implement actions based on what is within or out of your control as a Store Manager



2 PRESENTATION

Prepare a 2-minute conclusion including where this element influences your COGS report

YOUR COGS REPORT

Leading and following up on Supply Chain Behavior in a store's day-to-day operations is crucial for improving COGS and ultimately P&L performance



DAY-TO-DAY TASKS

The financial impact

TYPE IN CULTURE



IMS PROCEDURES



FIFO



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|----------------------------------|-------------|--------|-------------|--------|------------|-------|
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| Unregistered Waste Costs | - 1.000,00 | -1,0% | - 1.000,00 | -1,1% | - | -0,1% |
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EXERCISE: THE INVENTORY CONTROL SHEET

How to identify discrepancies between what's ordered and delivered

GROUPS OF TWO (PER STORE)

- Review the **count** and **ideal** status from the exercise sheet
The assumption is that what's been ordered has been delivered

1 FILL OUT:

- Fill empty columns (J & K) correctly
- Column L indicate if's it's been done correctly or not

2 ADJUST:

- Discuss and prepare the ideals you'd like to adjust
- Reflect on why you would you adjust them?

- Open discussion based on above steps
- Sharing of overall learnings



| | A | B | C | D | E | F | G | H | I | J | K | L |
|----|------------|------------|--------------|---------------------|------|-------|-------|----------------|-----------------------|------------------|-----------------|---|
| | Store Name | Supplier | Product Code | Global Product Name | Unit | Count | Ideal | Ordered Amount | Store Transfer Amount | Delivered Amount | Invoiced Amount | Status |
| 1 | Store 1 | Supplier 1 | 123456 | Apple | Kg | 10 | 15 | 5 | -1 | | | Orders/Deliveries/Store Transfer not matching |
| 2 | Store 1 | Supplier 1 | 123457 | Banana | Pcs | 20 | 30 | 10 | -1 | | | Orders/Deliveries/Store Transfer not matching |
| 3 | Store 1 | Supplier 1 | 123458 | Tuna | Kg | 50 | 75 | 25 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 4 | Store 1 | Supplier 2 | 123459 | Mighty Juice Cup | Pcs | 100 | 150 | 50 | -10 | | | Orders/Deliveries/Store Transfer not matching |
| 5 | Store 1 | Supplier 2 | 123460 | Normal Juice Cup | Pcs | 5 | 7,5 | 3 | -2 | | | Orders/Deliveries/Store Transfer not matching |
| 6 | Store 1 | Supplier 2 | 123461 | Handtowels | Pcs | 1 | 1,5 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 7 | Store 1 | Supplier 2 | 123462 | Napkins | Pcs | 2 | 3 | 1 | 1 | | | Orders/Deliveries/Store Transfer not matching |
| 8 | Store 1 | Supplier 1 | 123463 | Chicken | Kg | 20 | 30 | 10 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 9 | Store 1 | Supplier 1 | 123464 | Tomato | Pcs | 25 | 37,5 | 13 | 2 | | | Orders/Deliveries/Store Transfer not matching |
| 10 | Store 1 | Supplier 1 | 123465 | Lemon | Pcs | 30 | 45 | 15 | -3 | | | Orders/Deliveries/Store Transfer not matching |
| 11 | Store 1 | Supplier 1 | 123466 | Powder - Collagen | Kg | 1 | 1,5 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 12 | Store 1 | Supplier 1 | 123467 | Turkey | Kg | 2 | 3 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 13 | Store 1 | Supplier 1 | 123468 | Serrano | Kg | 20 | 30 | 10 | 1 | | | Orders/Deliveries/Store Transfer not matching |
| 14 | Store 1 | Supplier 1 | 123469 | Grapefruit | Pcs | 25 | 37,5 | 13 | -1 | | | Orders/Deliveries/Store Transfer not matching |
| 15 | Store 1 | Supplier 1 | 123470 | Ginger | Kg | 5 | 7,5 | 3 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 16 | Store 1 | Supplier 1 | 123471 | Carrot | Kg | 1 | 1,5 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 17 | Store 1 | Supplier 1 | 123472 | Strawberries | Kg | 2 | 3 | 1 | 2 | | | Orders/Deliveries/Store Transfer not matching |
| 18 | Store 1 | Supplier 1 | 123473 | Blueberries | Kg | 10 | 10 | 10 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 19 | Store 1 | Supplier 1 | 123474 | Pineapple | Kg | 13 | 13 | 13 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 20 | Store 1 | Supplier 1 | 123475 | Kiwi | Kg | 15 | 15 | 15 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 21 | Store 1 | Supplier 1 | 123476 | Spinach | Kg | 1 | 1 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |
| 22 | Store 1 | Supplier 1 | 123477 | Avocado | Kg | 1 | 1 | 1 | 0 | | | Orders/Deliveries/Store Transfer not matching |

| Supplier | Product Code | Global Product Name | Invoiced Amount |
|------------|--------------|---------------------|-----------------|
| Supplier 1 | 123456 | Apple | 5,00 |
| Supplier 1 | 123457 | Banana | 10,00 |
| Supplier 1 | 123458 | Tuna | 24,00 |
| Supplier 1 | 123463 | Chicken | 9,00 |
| Supplier 1 | 123464 | Tomato | 13,00 |
| Supplier 1 | 123465 | Lemon | 15,00 |
| Supplier 1 | 123467 | Turkey | 1,00 |
| Supplier 1 | 123468 | Serrano | 10,00 |
| Supplier 1 | 123469 | Grapefruit | 13,00 |
| Supplier 1 | 123470 | Ginger | 3,00 |
| Supplier 1 | 123472 | Strawberries | 1,00 |
| Supplier 1 | 123473 | Blueberries | 10,00 |
| Supplier 1 | 123474 | Pineapple | 13,00 |
| Supplier 1 | 123475 | Kiwi | 15,00 |
| Supplier 1 | 123476 | Spinach | 1,00 |

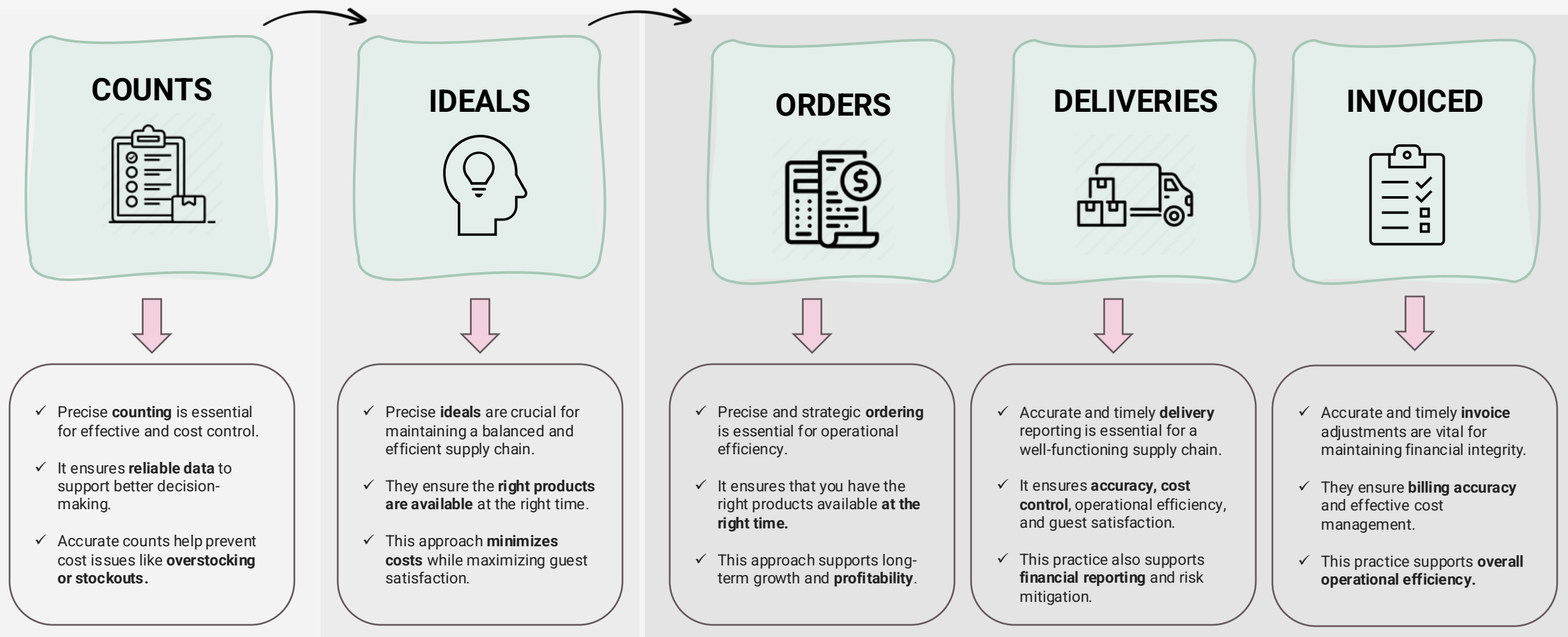
| Supplier | Product Code | Global Product Name | Invoiced Amount |
|------------|--------------|---------------------|-----------------|
| Supplier 2 | 123459 | Mighty Juice Cup | 50,00 |
| Supplier 2 | 123460 | Normal Juice Cup | 4,00 |
| Supplier 2 | 123461 | Handtowels | 1,00 |
| Supplier 2 | 123462 | Napkins | 2,00 |

The overall exercise will secure good flow on the stock based on both your ideals and counts

THE INVENTORY WALKTHROUGH

How you can impact your overall Cost of Goods Sold

THE INVENTORY FLOW





AGENDA

- 1 Why is this skill important?
- 2 How to master the skill
- 3 Sum-up and Impact**
- 4 How to apply into practice





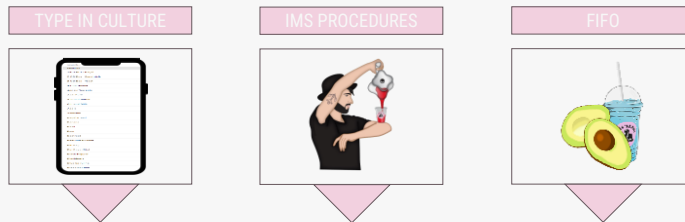
SUM-UP AND IMPACT

From class-room theory to practical in-store skills

What are your **key learnings**?

DAY-TO-DAY TASKS

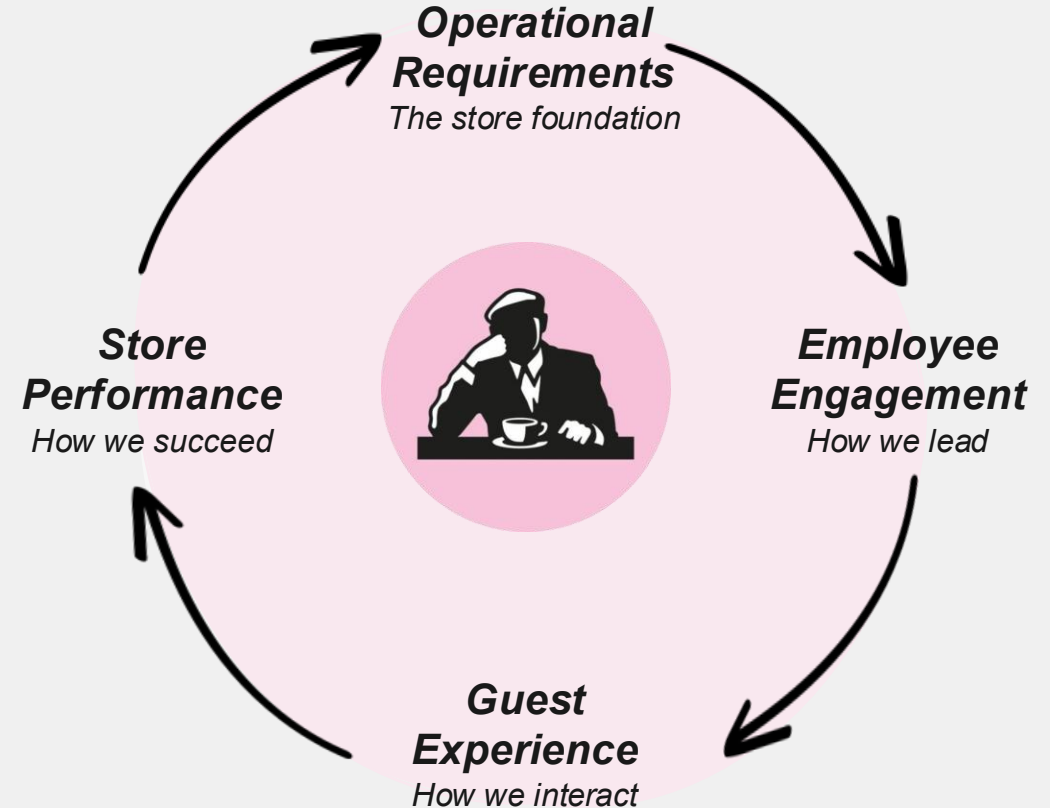
The financial impact



| | Budget | Executed | Budget Δ | Budget | Executed | Budget Δ | Budget | Executed | Budget Δ |
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| Food Costs | 15,000.00 | 13,500.00 | -1,500.00 | 15,000.00 | 13,500.00 | -1,500.00 | 15,000.00 | 13,500.00 | -1,500.00 |
| Packaging Costs | 750.00 | 675.00 | -75.00 | 750.00 | 675.00 | -75.00 | 750.00 | 675.00 | -75.00 |
| Registered/Memo Costs | 2,500.00 | 2,500.00 | - | 2,500.00 | 2,500.00 | - | 2,500.00 | 2,500.00 | - |
| Licensing/Memo Costs | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 | - |
| Product Costs - Employee Meals | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 | - | 1,000.00 | 1,000.00 | - |
| Distribution/Logistics Costs | 1,500.00 | 1,250.00 | -250.00 | 1,500.00 | 1,250.00 | -250.00 | 1,500.00 | 1,250.00 | -250.00 |
| Supplier Service Costs | 1,500.00 | 1,500.00 | - | 1,500.00 | 1,500.00 | - | 1,500.00 | 1,500.00 | - |
| Discount O-Overage Costs | 500.00 | 250.00 | -250.00 | 500.00 | 250.00 | -250.00 | 500.00 | 250.00 | -250.00 |
| COGS(Cost of Goods Sold) | 17,750.00 | 15,675.00 | -2,075.00 | 17,750.00 | 15,675.00 | -2,075.00 | 17,750.00 | 15,675.00 | -2,075.00 |
| GMI(Gross Margin) | 82,250.00 | 74,325.00 | -7,925.00 | 82,250.00 | 74,325.00 | -7,925.00 | 82,250.00 | 74,325.00 | -7,925.00 |

13

CIRCLE OF OPERATIONAL EXCELLENCE



How does mastering these skills affect each area within the Circle of Operational Excellence in your store?



AGENDA

- 1 Why is this skill important?
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HOW TO APPLY INTO PRACTICE

From practical in-store skills to daily, weekly, and monthly habits

| | |
|--------------------------------|---|
| Assistant Store Manager | Assists the Store Manager with supply chain management with aim to improve COGS performance. Capable of leading processes in the absence of the Store Manager |
| Store Manager | Responsible for overall supply chain management, and ultimately leading processes to improve costs and overall COGS performance |
| District Manager | Mentors and supports Store Manager in achieving supply chain targets to improve overall performance in COGS report by providing constructive feedback and sparring. |



MANAGER SPECIALIST SESSIONS

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