



MORRISONS

Field to Fork

Creating visibility in a vertically integrated Supply Chain

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Introduction to Morrisons – The Business

*Started over 100 years ago as a Market Stall in **Bradford**...*

- 4th largest retailer in the UK
- Over 10 million customer visit our 382 Stores weekly
- 4th largest haulage company in the UK
- 5th largest food producer in the UK
- 2nd largest food packer in the UK
- 2nd largest abattoir business in the UK
- £14.5 billion turnover & 130,000 employees
- 14% of the UK food market



Field to Fork – the Challenges of a vertically integrated Supply Chain

- In an ever complex environment, alignment, collaboration and synchronicity across all areas of the Supply Chain are fast becoming key drivers for Morrisons in keeping its edge against the competition

- The new Maxim:

“Plan for Capacity – Execute to Demand”

- Understanding all the trade offs and levers across the entire supply chain when several areas can be at loggerheads is one area of focus in delivering enhanced value.

Field to Fork – the Challenges of a vertically integrated Supply Chain

- Alignment
 - Retail Forecasting
 - Capacity Management

- Collaboration
 - Supplier engagement
 - Manufacturing involvement

- Synchronicity
 - Inventory
 - Lead time

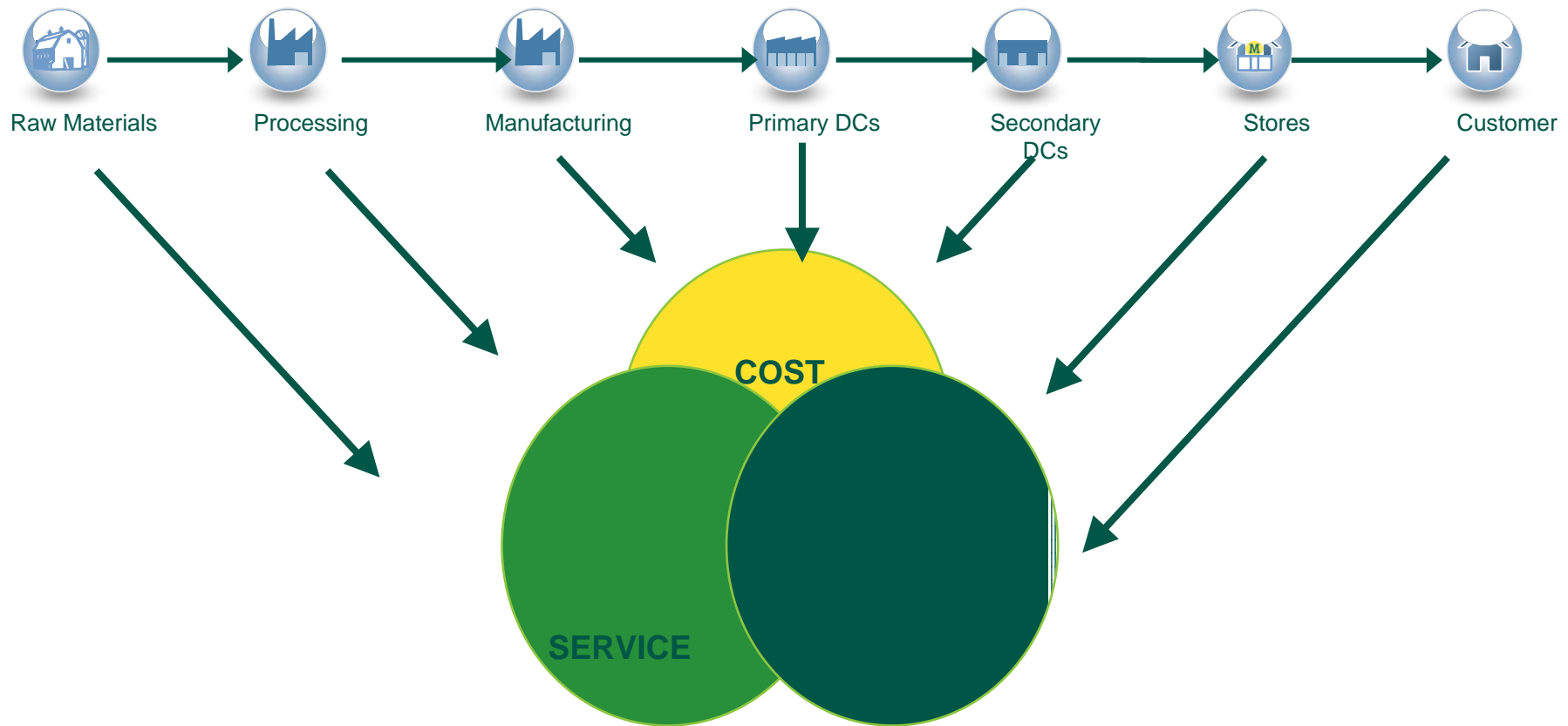
- Value
 - Availability
 - Customer Service



Morrisons Supply Chain Ethos

- Move from reactive supply chain management to scenario planning , then execute and adapt the strategy based on real time trends
- Do not equate technology with supply chain, a great system does not make a effective nor efficient supply chain
- Supply Chain Management is not just cost containment but innovation and value creation
- Cross functional involvement is paramount in achieving the planned results

Enabling visibility and Addressing Trade offs – Cost to Serve®

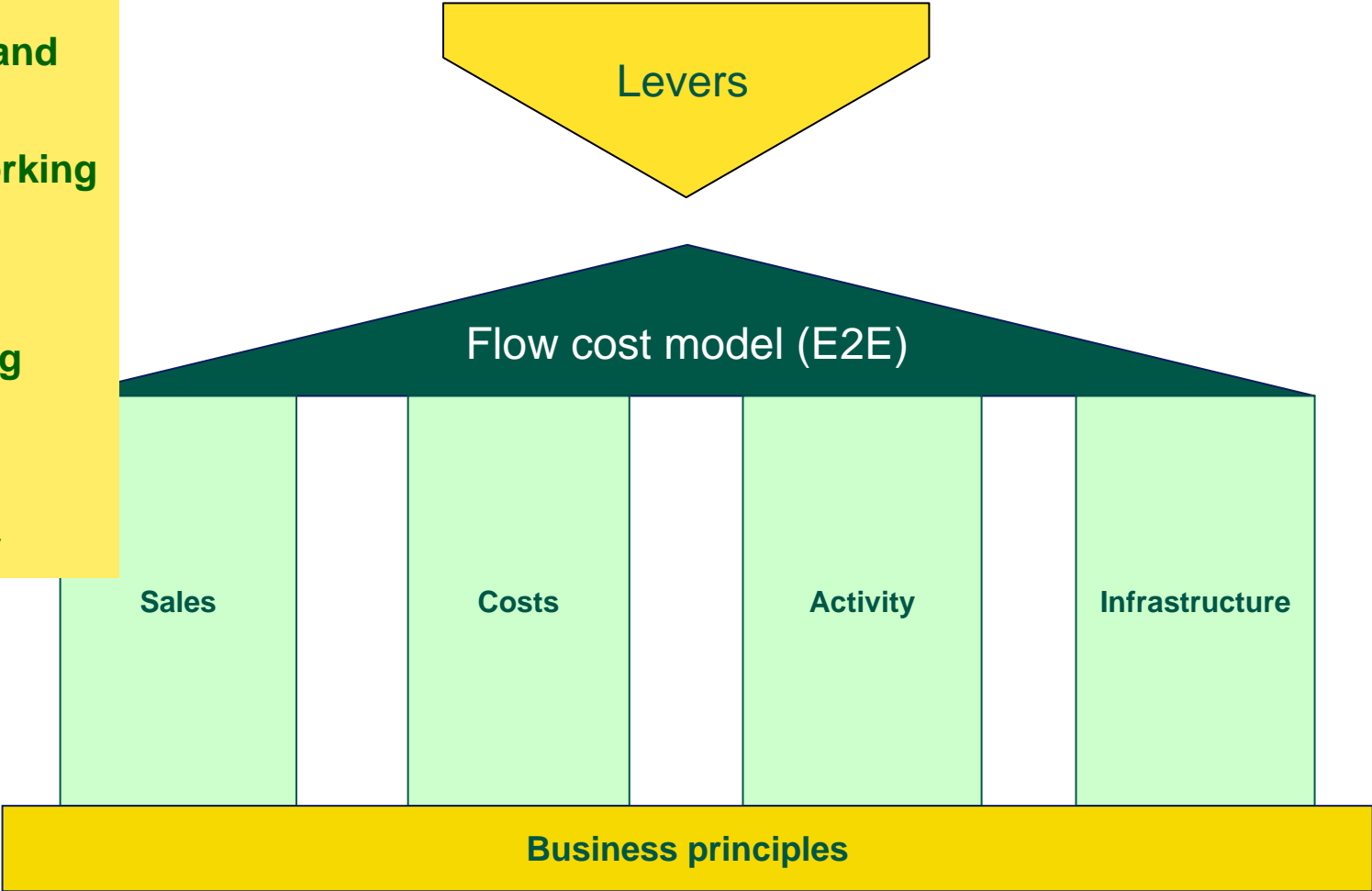


- For each node in the Supply Chain there are cost, service and capacity considerations. Each product category necessarily passes through a defined number of supply chain nodes enabling fact based decisions

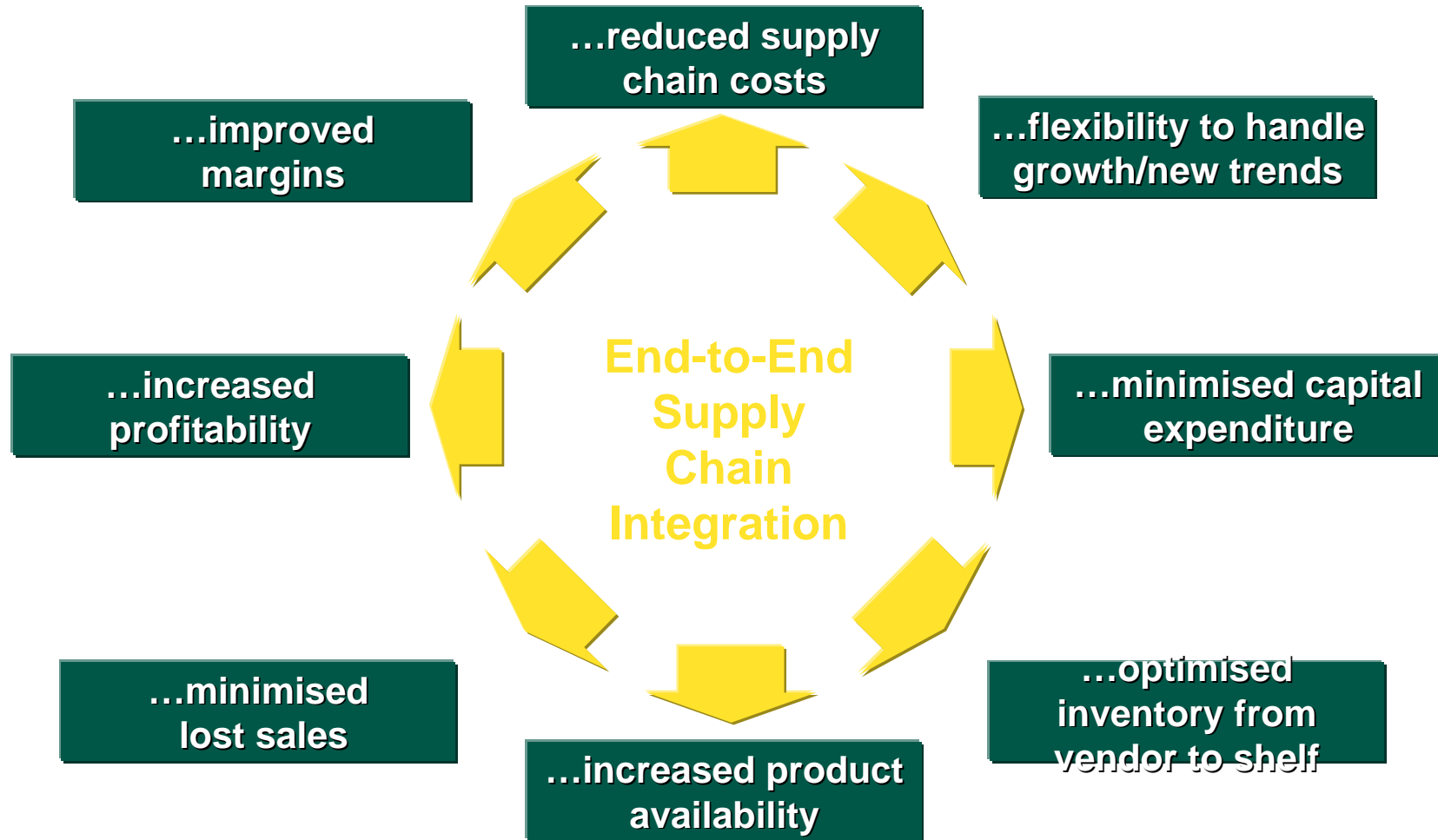
Enabling visibility and Addressing Trade offs – Cost to Serve®

Model Capabilities

- Operating costs and margin
- Inventory and working capital
- Capacity
- Growth in existing network
- Change of flows
- Supply efficiency



Enabling visibility and Addressing Trade offs – Cost to Serve®



Overall providing a more balanced view across the entire supply chain



Enabling visibility and Addressing Trade offs – Cost to Serve® - Output

- Trading: Better visibility of costs to support more efficient promotional effectiveness
- Corporate: A more commercially minded view of the end to end paradigm – cost vs service
- Manufacturing: A deeper understanding of the net-net contribution from our Make or Buy decision
- Transport and Warehousing: A capacity led view of the cost base informed by throughput
- Stores: A complete view of where best to invest/change (front end vs back end) in delivering value to both the customer and the business





Looking forward to the future

Really fresh food, prepared by really skilled people and at a really low price is a winning combination – that's why we're looking forward to the next 100 years!

Questions