

SUPPLIER UPDATE

14 May 2020

Today our newsletter comes to you from the new, safer normal of Alert Level 2. In today's edition you will find details about what this means for our business and yours – at retail, for price changes, and for our merchandise operations. As we navigate these new waters together we can certainly expect that we will need to continue adapting as conditions change.

For us, this newsletter is intended as a key plank in our communications with you. So please do share this with your team, and if you want to add subscribers, you can do so [here](#).

As we manage our staff return to the office, you will find us using Teams and Skype for external meetings. But of course if you're in Christchurch we would be happy to meet face-to-face. We have good measures for hand hygiene, physical distancing, and contact tracing via our visitor sign in process. Please contact our teams to work out the best option.

Sincerely, Phil Lemon



Retail at Alert Level 2

For Foodstuffs South Island stores, Alert Level 2 means that we largely will operate as we have throughout the lockdown levels 3 and 4.

Our COVID-19 safety measures will remain in place at retail: we will encourage 2 metres of physical distancing and maintain our enhanced cleaning and sanitising.

We do have a few opportunities that are now available, including Lotto, a Café offer at many stores, and Henry's sites will be re-opening. Henry's online has been a real success so this will be the icing on the cake for this brand.

We still welcome contact from merchandisers and suppliers at retail. Please ask your teams to contact the stores prior to their visits, to understand the health and safety measures and the best way to conduct business for each site.

Last week we shared a number of projects that we have underway. One of these is a focus on the optimal range for each brand's customer needs. We are collaborating with the category team on this and our [range review framework](#) will determine the timings.

What does this mean for you? We will actively review the performance of products across a category. There will be some winners and casualties. The latter is never great news, however, you should be proactive by using your data to ensure your products are performing.

VMI update

We are currently planning our mid-year VMI reviews. You can expect to hear from our VMI coordinators in the next couple of weeks to set up a time to review the main KPIs and understand future supply. These will be conducted via Skype or Teams – more to come soon.

Advanced Replenishment and Safety Stock Settings

As customer shopping habits have changed week to week through the alert levels it has been challenging to maintain stock at the correct levels. Initially we placed additional safety stock at the start of the panic buying period. As demand has changed, we have removed these, and you may notice order sizes reducing as this happens. We will review advanced replenishment forecasting and then highlight a period that should be ignored, this will assist with accurate order proposals.

Category Services NPD

The category team have now caught up with any NPD that should have launched, and are looking at NPD with future dates. If you haven't heard anything yet on products that should have launched, please contact the category manager or Andrea Gent.

New World Redcliffs will become a Four Square from Monday 15th June. This difficult decision was made to ensure we can sustainably support the local community. Our team will make some brand and layout changes over the next few weeks.

Price changes – FOBL

We've greatly appreciated your support over the past several weeks as we've traded through some extreme circumstances.

Thank you especially to those who assisted with our COVID-19 List Price Moratorium, which has been in place during Alert Levels 3 and 4. As are now in Level 2, we revert back to our standard [List Price change](#) process with submissions sent to Foodstuffs Own Brands (FOBL) through price@foodstuffs.co.nz

To help us manage your price changes efficiently, please ensure you provide all the necessary supporting elements, and engage with your relevant Foodstuffs business stakeholders. Remember we have a standard six weeks notification for all changes, including list prices.



Need help?

Our supplier support team are available to assist you during office hours.

Call 0800 555 985

Or email suppliers@foodstuffs-si.co.nz

Thank you again for your ongoing support. Please keep up your communication, especially regarding any stock supply issues.

Stay safe and let's keep Feeding the South Island.