

SUPPLIER UPDATE

1 May 2020



Welcome to our new look supplier newsletter.

We had great response to our regular updates during COVID-19 alert level 4, and we will be using this newsletter to ensure we keep you in touch with Foodstuffs South Island.

Please share these updates with your teams.

We are in process of returning to a business as usual state, albeit with some changes to suit the new alert levels. Over the next few weeks we will be in touch to reschedule quarterly and annual business reviews. We will be using Teams video conference for these initially.

Thank you for all your support and assistance in helping us Feed the South Island.

Sincerely, Phil Lemon

Procurement team update

We have been extremely busy working with suppliers to ensure our supermarkets have all the products needed to Feed the South Island.

We remind you again that ASNs are business critical. Our replenishment system relies on accurate information to reorder lines that will not be supplied. We also use these to assist with correct receipting at inwards goods.

VMI Reminders

Out of sequence orders:

Please place an unscheduled order to get product into us without delay if you have been out of stock of something. This applies if we are either out or low in stock in the DC. Do not wait until your order day. Our DCs are aware that this needs to happen. All we ask is that the freight provider arranges a booking time.

Increasing proposed order amounts:

If you know that there has been a lift in sales and stock is running out, please increase your orders (within reason). Our future forecasting has been set to ignore a lot of the current lifts that are happening across categories as they are extraordinary and difficult to respond to consistently.

Please ensure the correct status flag flagged is used for any products that are out of stock in our DCs.

TOS – Temporary out of stock implies that the buyer is not ordering enough stock.

MOS – Manufacturer out of stock indicates that not enough stock can be supplied to meet demand.

This is an important process as it's seen at store level and gives them a better understanding of the product's supply situation.

New World digital mailer

You may be aware that we recently reviewed the need for a printed mailer for New World South Island. Previous research showed only 7% of customers are influenced by mailers, and 57% would prefer to receive this information via email or online. The COVID-19 lockdown period has meant that we could not distribute a printed mailer, and we have seen rapid uptake of the digital mailer as a result.

The New World executive has now decided that we will exit the printed mailer as soon as possible. We will still produce a weekly digital mailer for New World that is competitive and showcases our best inspiration, new products, prize draws, and deals. Our stores will still use the digital mailer to inform their decisions around displays and range support.

This change presents opportunities, as we have more flexibility with our content and ability to speak to our customers. We now have more people engaging digitally than we ever did through the letterbox.

Look out for an updated document coming soon. This will explain how you can unlock the value of your promotions with New World South Island. Please contact [Ross Martin](#) for any questions.

In the past six weeks we have provided 4,200 litres of hand sanitiser to our stores, head office, and wholesale operations to help us keep our staff and customers safe. That's 42 bathtubs full!

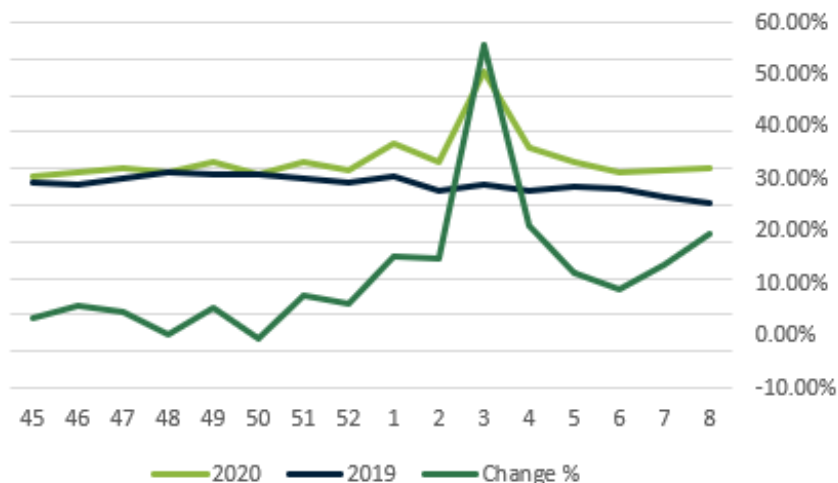
Supply chain update

The period leading into Alert Level 4 was extremely busy and the shift to eating at home has seen ongoing strong demand. The chart below shows the number of bulk cartons shipped each week from our three DCs to meet demand from South Island shoppers.

Week 3 was when Alert Level 4 began, with a 55% increase in the number of cartons shipped.

Thanks to those suppliers who moved to DSD during this time. Your assistance helped us to meet this demand and Feed the South Island.

DC Bulk Cartons shipped



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.