

Working with Foodstuffs SI Procurement

A guide to working with and
supplying our distribution centres

2024 Version

FOODSTUFFS
South Island



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Working with FSSI Procurement Team – Non-VMI Suppliers

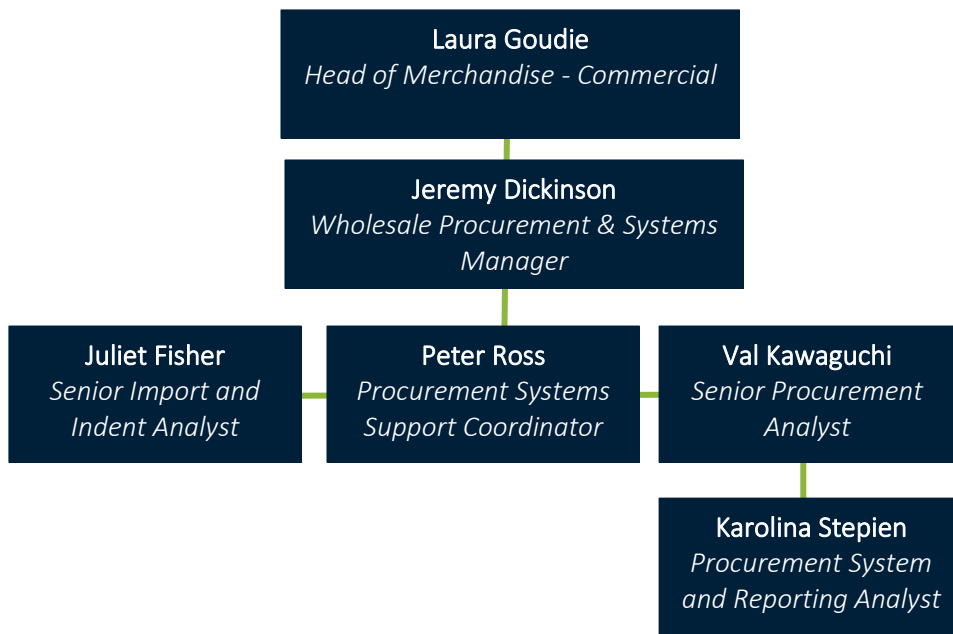
Introduction

Foodstuffs South Island’s Procurement Team is a team of eight consisting of coordinators and analysts. It forms part of the wider Merchandise team. The below structure highlights all the staff you will be working with on a regular basis.

Working with suppliers, we aim to achieve a 97% inbound service to our DC (what we order vs. what you supply) and a 97% outbound service to our members (what members’ order vs. what the DC was able to supply).

The purpose of this document is to be a point of reference for some of our key procedures, key contacts and ways of working for new and existing suppliers.

Procurement Structure



FSSI Key Contacts

Name	Role	Email	Phone	When to Contact
Karolina Stepien	Procurement System and Reporting Analyst	Karolina.Stepien@foodstuffs-si.co.nz	03 930 1906	Main point of contact for day-to-day queries
Val Kawaguchi	Senior Procurement Analyst	Val.Kawaguchi@foodstuffs-si.co.nz	03 363 6925	Setting up broadcast reports, performance measures and pricing queries
Juliet Fisher	Senior Import and Indent Analyst	Juliet.Fisher@foodstuffs-si.co.nz	03 930 1907	Dated Stock Allocations and regular allocations/indents
Jeremy Dickinson	Wholesale Procurement & Systems Manager	Jeremy.Dickinson@foodstuffs-si.co.nz	03 353 8656	Seasonal planning, escalation
Peter Ross	Procurement Systems Support Coordinator	Peter.Ross@foodstuffs-si.co.nz	03 353 8657	System-related issues, only when advised by Val/Karolina

Distribution Centre Information

DC Contacts: Reception

Foodstuffs Hornby Distribution Centre (Ambient and Temperature Controlled)

- DC10 & DC08: 03 344 1401

Foodstuffs Dunedin Distribution Centre

- DC02: 03 466 4100

DC Contacts: Bookings/Inwards Goods/Collections

- DC10 - Hornby Ambient: 03 372 2951
- DC08 - Hornby Temperature Controlled: 03 372 2939
- DC02 - Dunedin Ambient: 03 466 4135

DC Delivery Addresses

Foodstuffs Hornby Ambient Distribution Centre (DC10)

1 Quadrant Drive
Christchurch 8042

Foodstuffs Hornby Temperature Control Distribution Centre (DC08)

1 Quadrant Drive
Christchurch 8042

Foodstuffs Dunedin Distribution Centre (DC02)

Teviot Street
Dunedin 9012

DC Delivery Timings & Bookings

Deliveries can be made 5 days per week Monday to Friday and scheduled booking slots will be confirmed. Weekend deliveries can be available by special arrangements.

If the transport company anticipates a late arrival then the vehicle driver is required to contact the inwards good office, to advise them of the delay and anticipated new arrival time. The booking slot covers only 1 truck. Therefore, if the order is being carried on more than 1 vehicle then it will be necessary to advise the DC the previous afternoon. The purchase orders are picked by the supplier and despatched in order to meet the agreed scheduled delivery day/time.

Documentation Requirements

Please ensure that physical copies of the packing slip and delivery docket/proof of delivery are presented to the Distribution Centre staff on arrival. These documents must accompany each consignment. The Packing Slip must reference the appropriate Foodstuffs purchase order number.

An Advanced Shipping Notice (ASN) is a business-critical component required to maximise the efficiencies in goods receipting and as such are requested to be sent prior to all purchase orders being received into DC's. Refer the Foodstuffs exchange for detailed instruction.

The invoice quoting the FSSI order number is to be forwarded to:

*Foodstuffs South Island Limited.
Private Bag 4705
Christchurch.
Attn: Accounts Payable Department.*

Advanced Shipping Note

As per above, these are business-critical to receive with every order. Please ensure you are doing this process correctly.

The Foodstuffs eXchange process has five simple steps:

1. Foodstuffs generates a Purchase Order and sends it to the eXchange.
2. You receive an email notifying you that a new Purchase Order has been sent to the eXchange.
3. You view the Purchase Order and then in turn Acknowledge the Purchase Order.
4. You confirm the delivery details of the Purchase Order, which creates an Advance Shipping Note (ASN) back to Foodstuffs. **At this stage you can supply the order in part or full. Please adjust orders/quantities accordingly & confirm delivery.**
Delivery dates cannot be changed once the order is placed.
 - a. *Please note our DCs **do not accept** split deliveries and/or late deliveries without your Procurement System and Reporting Analyst's approval. Please do not hold off processing a PO in order to full supply.*
 - i. *If you need separate PO's for products (coming from different locations temporarily), please email your Procurement System and Reporting Analyst to have a new PO be raised.*
5. You invoice Foodstuffs.
6. Contact your Freight Provider to make a Booking Slot for Delivery into our DC

For more details, please go to: <https://www.foodstuffs-exchange.co.nz/assets/documents/eXchange-Web-User-Manual-Jan-2020.pdf>

Late Purchase Orders

When a PO is placed by your Procurement System and Reporting Analyst, the delivery date cannot be changed. We can only delete the PO and re-order with a new date, or it will be late. We will only hold PO's open for **at most 5 days** after it's delivery date. We will close the PO's if it is later than 5 days after scheduled delivery and it will be rejected by the DC.

Please Note: The reason we close these PO's is because late orders affect our replenishment systems and can throw off ordering quantities for the following week(s). This could lead to out of stocks or over supplies.

DC Policies and Guidelines

Our Distribution Centre operations are extremely disciplined owing to the large number of orders received each day. Please make yourself familiar with our policies and procedures for our respective distribution centres (DC's).

These policies are available on the Foodstuffs Exchange: <https://suppliers.foodstuffs.co.nz/processes-and-guides/wholesale-distribution-and-procurement/>

Some of the most queried questions are on the below:

3.1. Pallet Configurations

Each product is to be placed on a separate pallet. If there are two or more dates for the same product SKU (stock keeping unit) then they must also be separated on their own pallet. When a product is ordered in a quantity less than a layer then this can be presented on a "mixed pallet", where combined the total is not more than a layer. This mixed pallet must be clearly labelled "mixed pallet". All pallets are to be presented wrapped and in good condition. Product must be within the confines of the pallet, no overhang at all is permitted.

- Ambient Single SKU pallets are to be a maximum of 1.4m (including pallet).
- Produce, chilled and frozen pallets are to be a maximum height of 1.2m (including pallet).
- Any pallet shall not exceed one tonne (1000KG) in weight.

CHEP and Loscam pallets are the standard pallet operated by FSSI.

Pallet Transfers

All pallets received by the DC's are managed on a transfer system. Foodstuffs will arrange to transfer pallets onto their account from a nominated supplier's account. This is facilitated by the Chep and Loscam pallet transfer system. Please complete and return the Pallet Transfer Levy Authorisation form found here:

<https://suppliers.foodstuffs.co.nz/assets/documents/FSSI-Pallet-transfer-Form-2020.pdf>

Procurement Processes

Foodstuffs Exchange

Foodstuffs Exchange is where you can manage your trading relationship with both Foodstuffs South Island and Foodstuffs North Island: <https://www.foodstuffs-exchange.co.nz/>

As a supplier to Foodstuffs you need to have a login to the Foodstuffs Exchange Portal. This is where all your purchase orders from the DC and stores will appear, along with invoicing and where you can maintain your contact details.

Foodstuffs Websites

Foodstuffs South Island (FSSI) has created a specific business website that includes a great deal of information that can be valuable to suppliers when dealing with the various parts of the FSSI organisation. We would encourage suppliers to become familiar with the site: <https://www.foodstuffs-si.co.nz/>

Suppliers should also visit the Foodstuffs national website that provides information in relation to the management of price changes and trading terms among several other trading aspects:

<https://www.foodstuffs.co.nz/>

Pricing

All price changes need to go through Foodstuffs Own Brands (FOBL). Further details can be found here:

<https://suppliers.foodstuffs.co.nz/processes-and-guides/changing-your-list-price/>

If FSSI places an order and the pricing does not match what you have listed, please let us know straight away so we can work to resolve it. This avoids any pricing discrepancies down the track saving time and money for both parties.

Ullage discount from the supplier

FSSI does accept discount allowances provided by suppliers off the invoice for DC purchase orders to negate incidental and costly credit claims.

New Products Process

All new products need to be presented to our category services team following the process outlined here:

<https://suppliers.foodstuffs.co.nz/processes-and-guides/supplier-engagement/ranging-at-foodstuffs-south-island/>

The steps for new products are:

- Category team sends suppliers an email stating if products are accepted or declined & if DC ranged
- Six weeks after Category's email, your VMI analyst sends new product email out to you on Monday
- Once you receive this email, your analyst will setup for ordering & place your first order

We appreciate you sharing any volume forecasts/indications you have with us prior to our first order, particularly if the product type/function is new to market.

If you any questions regarding this process/timeline, please reach out directly to the appropriate category manager as per below:

Promotions/Store Displays

For any promotions/store displays that you anticipate larger than normal orders, feel free to reach out to your analyst to provide anticipated store sales. Please include emails of communications between yourself and the stores/banners in order for us to support this increase.

Article Changes

Suppliers need to advise us about all product changes and provide updated data whenever there is a change to a product. This may include carton and pallet configuration changes, new barcodes, packaging or formulation changes. You need to provide updated product information **six weeks** prior to when you want the changed product to be available in the market. If we are not notified there's a risk stock will be rejected at the DC and will need to be collected at supplier's expense.

Please follow the process below:

1. Update data in GS1/Foodstuffs Exchange Product Flow
2. Complete the Procurement Notification Form found at: [Article Change Form](#)
3. Send directly to article.master@foodstuffs-si.co.nz



Vendor Notification

Below fields in Green must be filled out before sending to Article Master

Effective Date DD/MM/YY	Vendor Number	Vendor Name	Existing EA Gtin	Description	SAP Code	Advisement	Procurement Coordinator	New EA Gtin	Old TI X HI	New TI x HI	New CAR/Layer	Layer/Pal	Comments

Filling out the Procurement Notification Form:

- **Effective Date:** the date which the change is effective from. If it is a carton change, ensure the last of the old stock has been sent from your DC before the change is requested. We require six weeks' notice for carton changes.
- **Supplier Number:** FSSI Supplier number
- **Supplier Name:** Business name
- **Existing EA Gtin:** Current unit barcode
- **Description:** Product description
- **SAP Code:** FSSI article code. 7-digit code starting with a 3 or 4
- **Advisement:** Reason/What's changing? *E.g. carton change, pallet config change, product description change, barcode change, product spec change (if greater than 10% it will be required to be setup as a new article)*
- **Procurement Coordinator:** [You Can Find the Current Procurement System and Reporting Analyst Here](#)
- **New EA Gtin:** New unit barcode. This is only required if changing retail barcode.
- **Tihi (Pallet Configurations) & Comments:** Be specific e.g. carton size changing from 8 to 12 or if it is a pallet configuration spell out the exact new configuration
Example: "Pallet config now 8 cartons per layer, 6 layers per pallet = 48 cartons per pallet"

Further information about managing your product information can be found here:

Allocations/Indents

We have the ability to facilitate indent stock to store via the DC through an 'allocation'. Examples include seasonal releases, limited editions and large new product releases. By doing an allocation it ensures fair distribution of product and stores will get the exact quantities requested.

This needs to be agreed on upon ranging with Category and Promotional Teams. Please get in touch with the [Wholesale Procurement & Systems Manager](#) for further details.

Dated stock

While we do our best to avoid dated stock there will be instances where stock goes short dated (hits our despatch limit to store). Reasons why stock may go short dated include product has sold slower than forecasted, stock arrived with shorter than normal dates, mixed dates arrived on a pallet, stock arrived out of sequence (FIFO).

Suppliers are responsible for the clearance of short dated stock.

For ambient stock, you will receive an email asking what you want to do with the stock.

For chilled and frozen products, all vendors who have product in our temperature-controlled DC's should be setting up and receiving a 'WMS Pre-Expiry Report' which details anything coming up short dated and any stock that has gone short dated.

If you are not receiving this report, please go to page 8 to follow the process of setting up a broadcast report.

Options for clearing stock:

1. Via a store. This will be sent out at normal cost to the store and it is up to the supplier to arrange a promotion/credit with the store directly.
2. Pro Forma Credit Claimed and **Collected**
3. Pro Forma Credit Claimed and **Dumped**
4. Pro Forma Credit Claimed and **Donated**

Overstocks

As with dated stock, it is not our intention to sit on excess stock, however, this does happen and is something we monitor regularly.

As a rule of thumb, we aim to sit on no more than 8wks worth of stock for slow sellers. We have rounding profiles in place to ensure buying efficiencies for both suppliers and our DC which are reviewed quarterly.

These are:

- If we will sell a pallet within 8wks, we will buy in multiples of a pallet
- If we will sell a layer within 8wks but less than a pallet we will buy in multiples of a layer
- If we will sell less than a layer in 8wks we will order in cartons, but we will order 28 days' worth of stock.

Please refer to the DC Policies and Procedures about supplying less than a layer of stock

For our chilled and frozen DC our parameters are a bit more fluid due to shorter life products being in the mix but again we aim to be sitting on no more than 8wks worth of stock.

We understand that this may not always meet your MOQ's. MOQ's need to be agreed upon as terms of supply with Foodstuffs Own Brands.

Once a product is in the DC it is the suppliers responsibility to ensure it moves and meets the distribution and rate of sale targets set out by Category Manager at the time of ranging. **Therefore, the responsibility of clearing overstocks sits with the supplier (within reason)**. Notification emails will be sent regularly for any overstocks.

If you see an order come through and you think it is too much, please get in touch as soon as possible with your analyst/coordinator so we can double check any settings we have set.

Delisting

We may at any time decide for genuine commercial reasons to delist a product. Genuine commercial reasons include but is not limited to:

- (1) Failure to meet reasonable quality or quantity requirements
- (2) Failure to meet our reasonable commercial sales or profitability targets
- (3) Persistent failure to meet our reasonable delivery requirements

Products that are delisted will need to be cleared from our DCs and Trents branches by you. Where the stock is not removed within four weeks of the date you were advised of the delisting, we will claim a credit for the remaining stock and you will be required to collect the same at your cost. If you fail to collect the delisted stock within a reasonable timeframe, then we may donate or dispose of the stock and recover the costs of disposal from you.

If a product is delisted and you require more information on the delisting or would like it reviewed, you can request this from your Category Manager.

Any product that is delisted goes through the following process:

1. Analyst turns off ordering for these products
2. Initial email sent to supplier advising of delisting
3. At the beginning of the following month, a final delisting notification email is sent requesting stock to be cleared by a specific date (4wks after the email is sent). **We request the supplier to clear any remaining stock by the specified date otherwise it will be pro forma credit claimed and require uplift.**

DC Collections

Collection of stock will be required at the suppliers expense if one of the following happens:

- The DC is oversupplied or supplied the wrong product and we are unable to accept the stock
- Stock arrives outside of our date limits
 - *Note: [Procurement Analysts](#) can provide a list of product date limits upon request*
- Damaged stock, if deemed to have arrived damaged to our distribution centre
 - *Note: We have camera footage that goes back 3 months if investigation is required*
- PC Claims (Proforma Credit) that have been raised as a result of dated stock, overstocks or deletions and the supplier has opted to collect the stock

Once the supplier has been notified of the collection the supplier has 7 days to collect the stock. An email will be sent with a reminder if the stock hasn't been collected and from that email, the supplier has a further 7 days to collect the stock. If stock has not been collected by the requested date, stock will be donated or disposed of & claims will remain to be processed.

When collecting the stock please contact the Inwards Department at the DC prior to arrival to ensure that stock is ready for pickup. The transport company will also need to bring the Returns Delivery Note and quote the PC Claim number on arrival or risk being turned away. PC claims are provided immediately to an employee in your company and then later from your coordinator with reasons written on them. Notice of discrepancies for DC08 are sent from your coordinator but DC10 & 02 have an email list maintained where they are sent for each company.

If disputing a claim/credit request as per our policy this must be done within 90 days of receiving the claim/credit request. Claims older than 90 days will not be investigated, and payment is required.

Broadcast Reports Available

We have a number of reports available which we encourage suppliers to utilise. These can be setup to come to you automatically either daily, weekly or monthly. Reports available free of charge include:

- Stock on Hand (SOH):

- SOH (value and units)
- SOH Days Cover (based on last 13wk sales)
- Pre-Expiry Report (SOH by BBD) – *all chilled suppliers should be receiving this*
- Inwards Service Level – what we have ordered vs. what you have supplied
- Outwards Service Level – what stores' have ordered vs. what the DC were able to supply

If you'd like these set up, please send the below email template with your updated request to the current:

[Senior Procurement Analyst](#)

<i>Report Type:</i>	<i>Frequency Sent to Supplier:</i>	<i>Email Recipients (separated by ;)</i>	<i>Starting on:</i>
<i>Pre-Expiry Report</i>	<i>Daily</i>	Val.Kawaguchi@foodstuffs-si.co.nz ; Karolina.Stepien@foodstuffs-si.co.nz	<i>04.05.2021</i>

If you are wanting to track distribution gaps, store ordering patterns, repeat purchasing and/or the split of volume between banners we have a report available for **\$150 a month** which breaks down orders, by store and by article. If you are interested in receiving this report, please get in touch with Jeremy Dickinson.