



UNIVERSITY OF
NOTRE DAME

Mendoza College of Business



Presented to: Happy Valley Meat Company
October 17, 2019

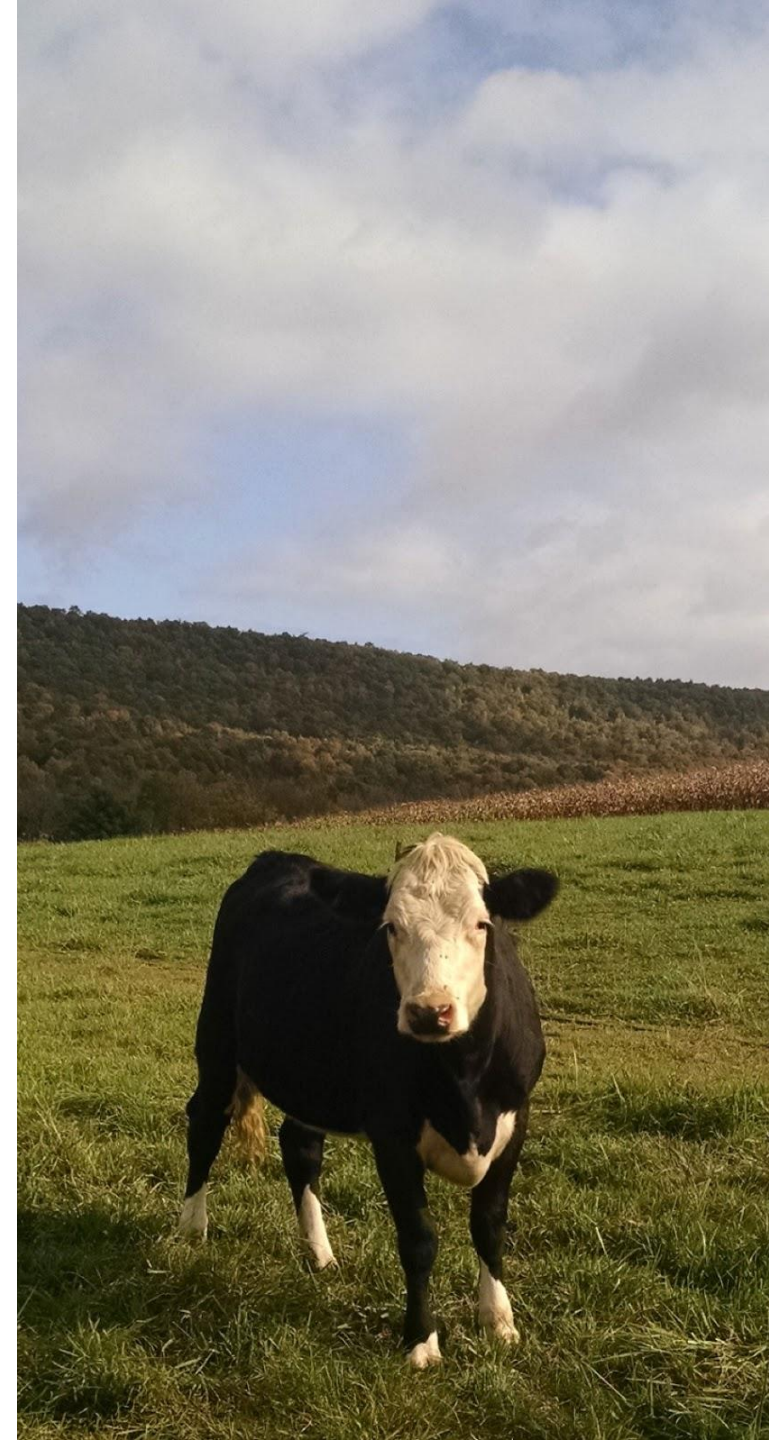
Norbert Bosso, Nick Mader, Daniel Noonan, Juan Andres Suels

Agenda

Best practices

Challenges with scale

Recommendations



Best Practices

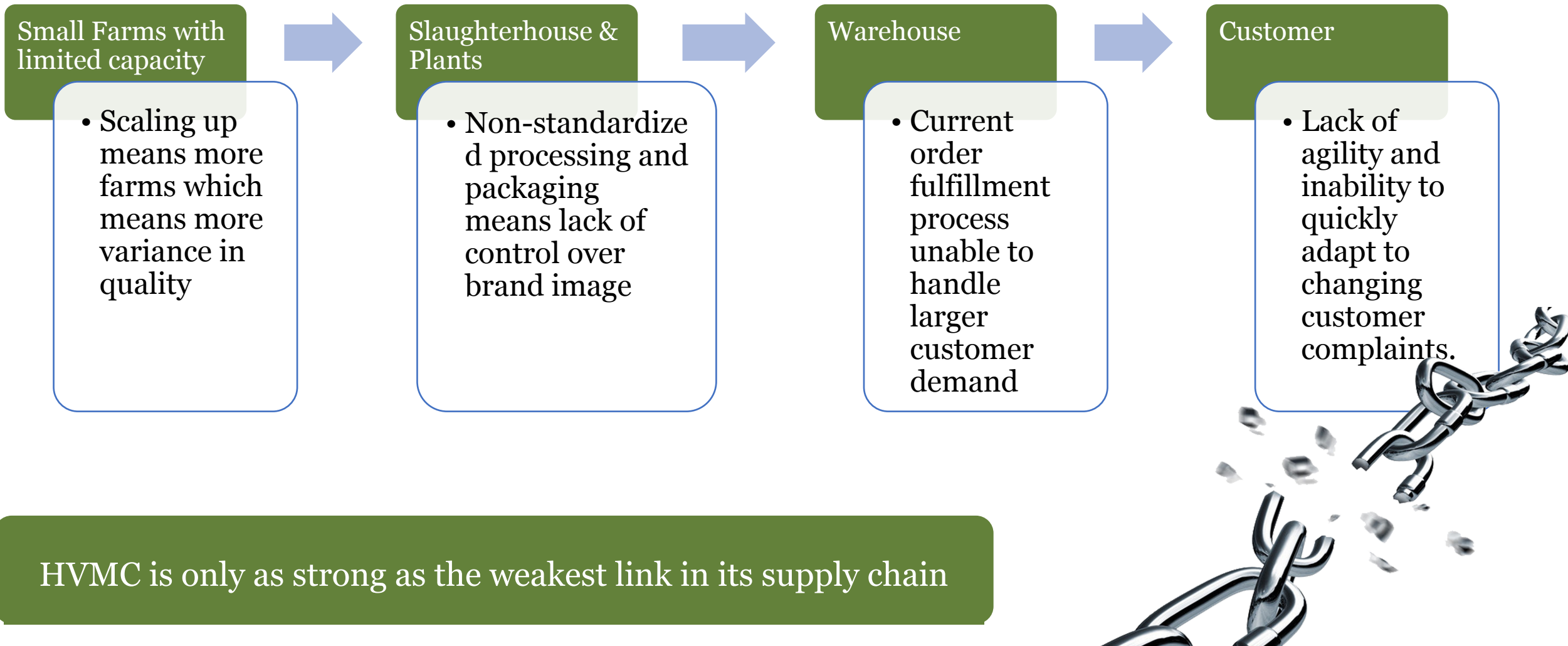


Best Practices: What the big players can do

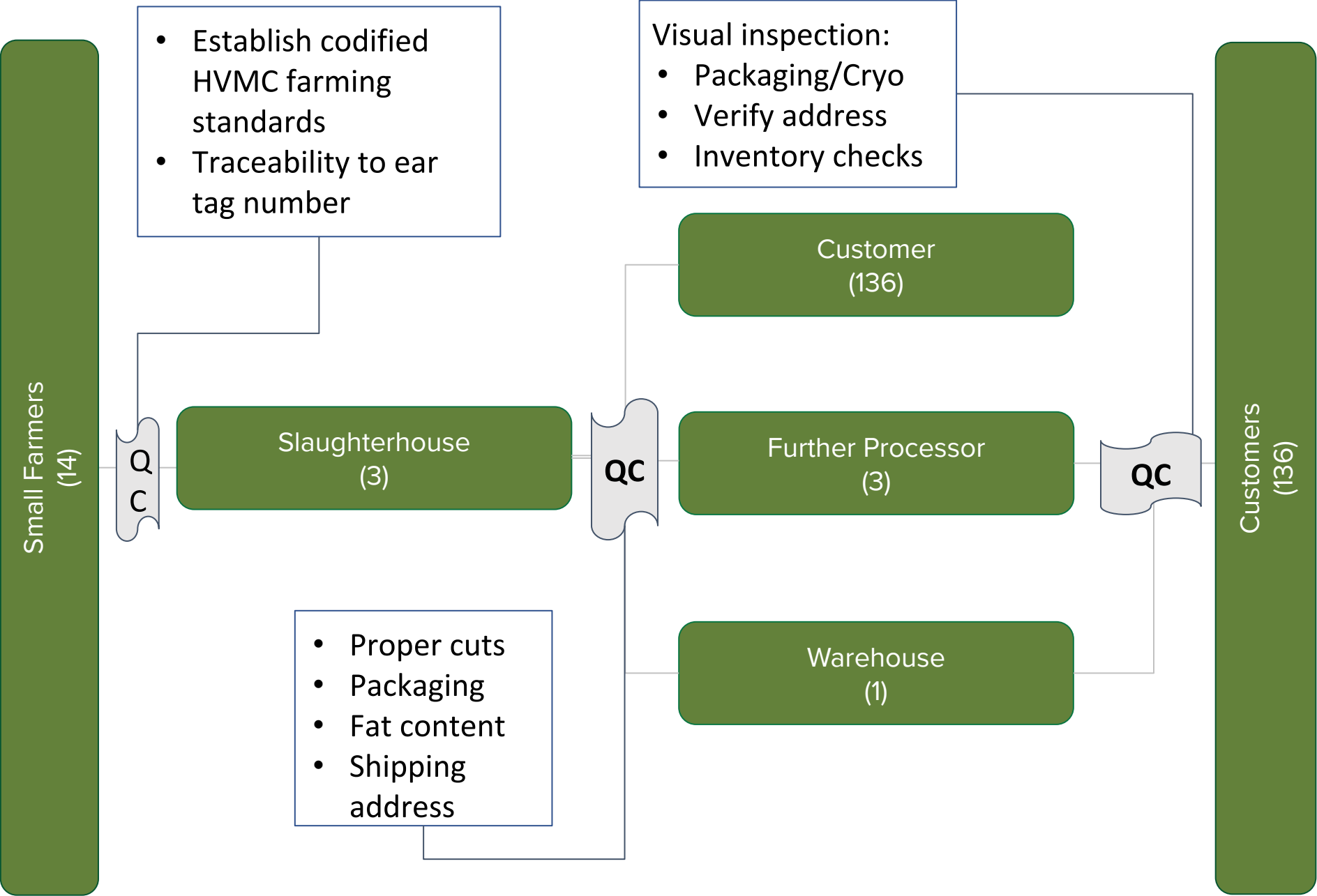


Quality control takes place not at the end of the process, but within.

Challenges With Scale



QC Along the Supply Chain



Error Categories (Top 80%) Since Moving to Lancaster Co-op

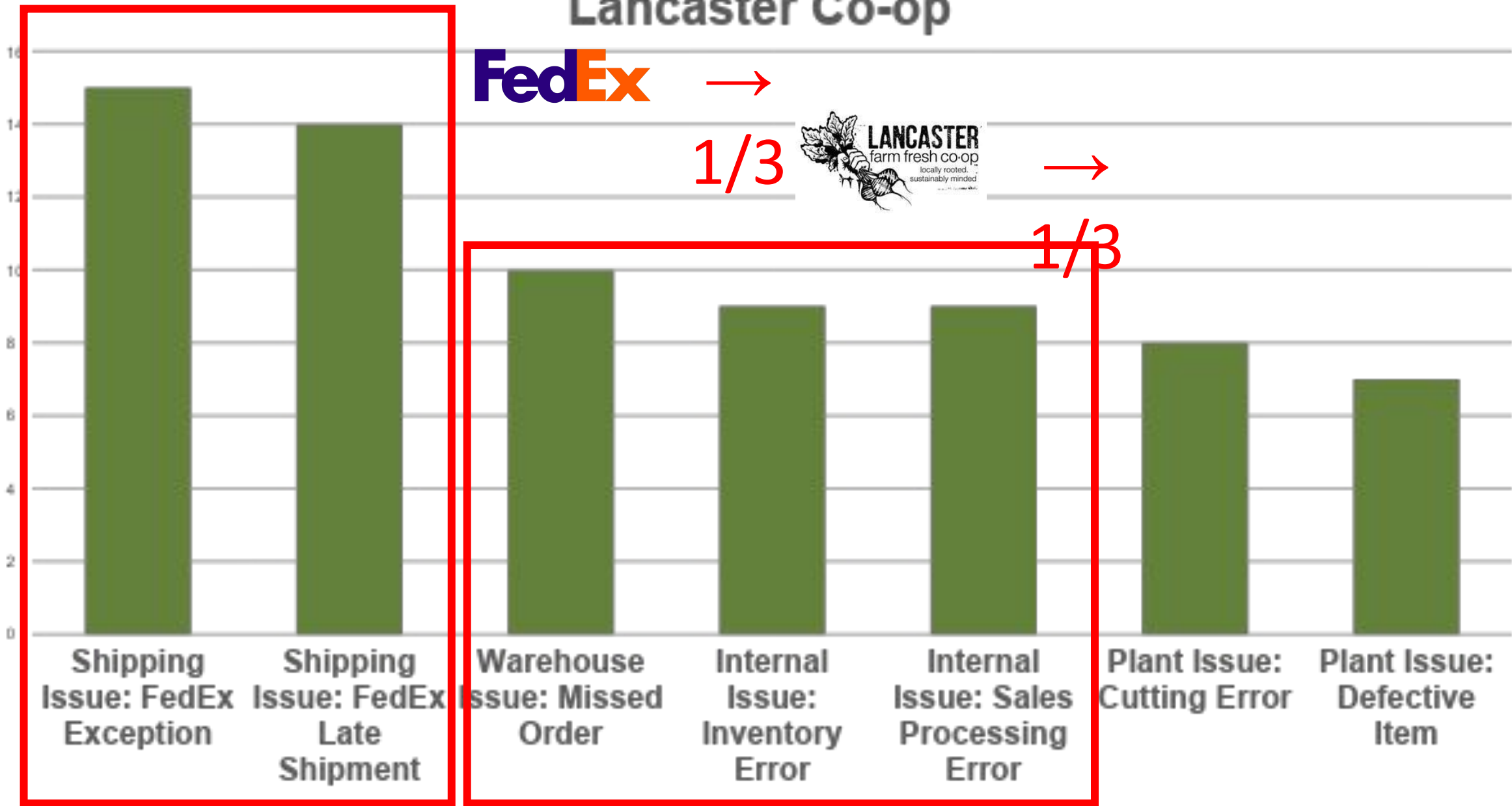
FedEx



1/3

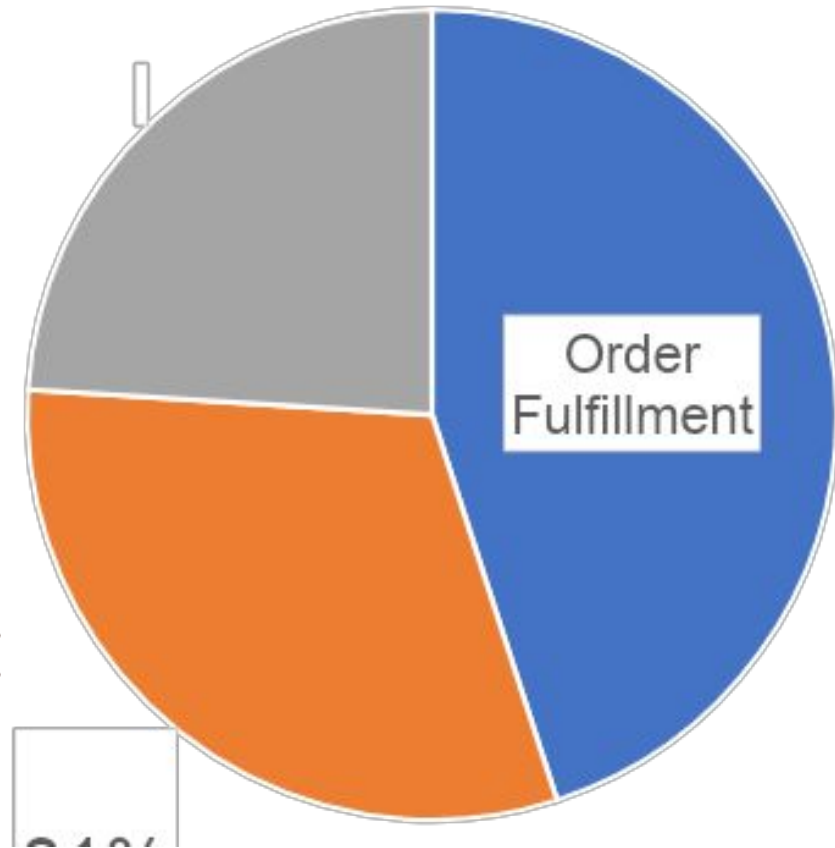


1/3



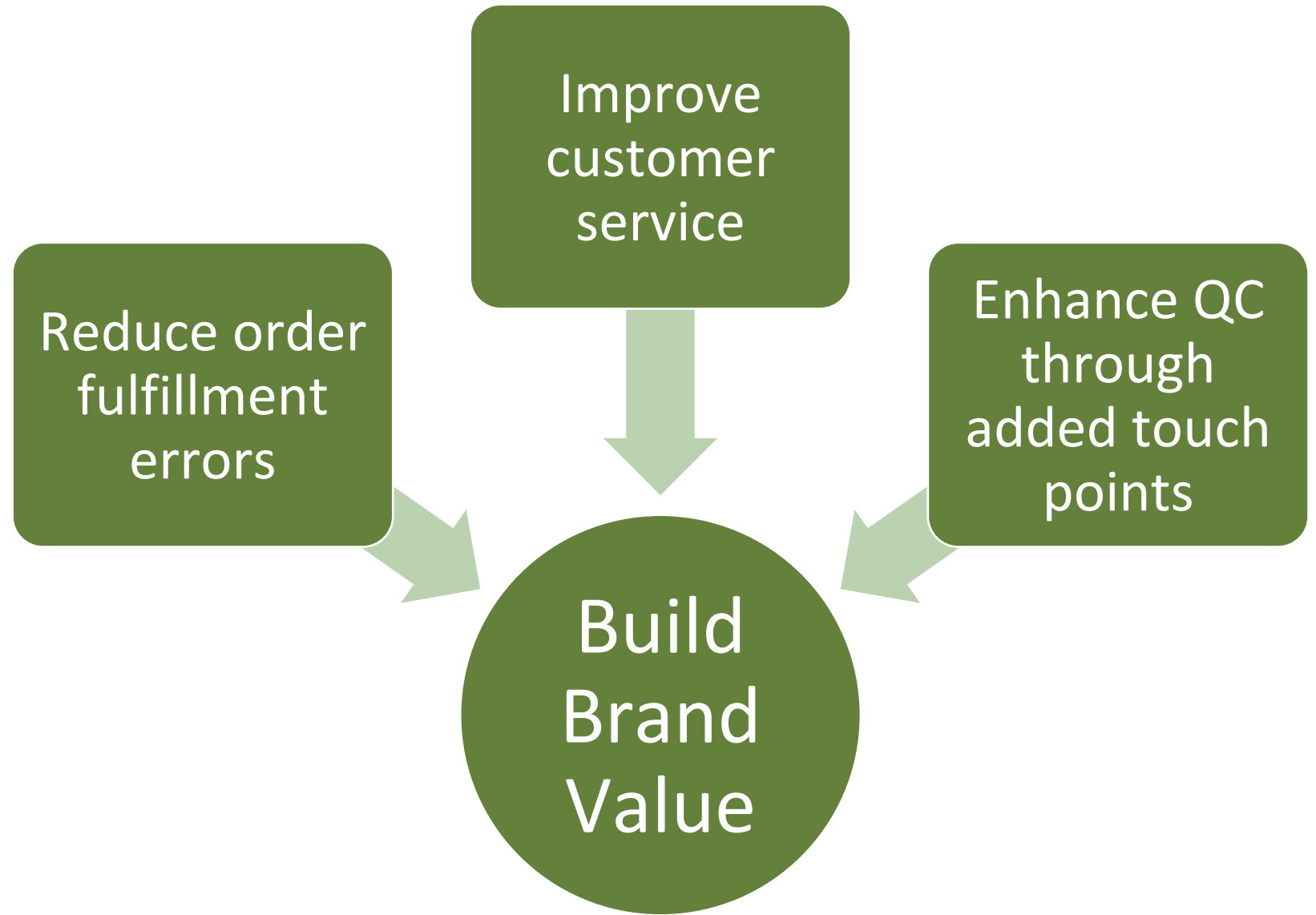


Total Errors



>75% of problems relate to
INVENTORY and LOGISTICS

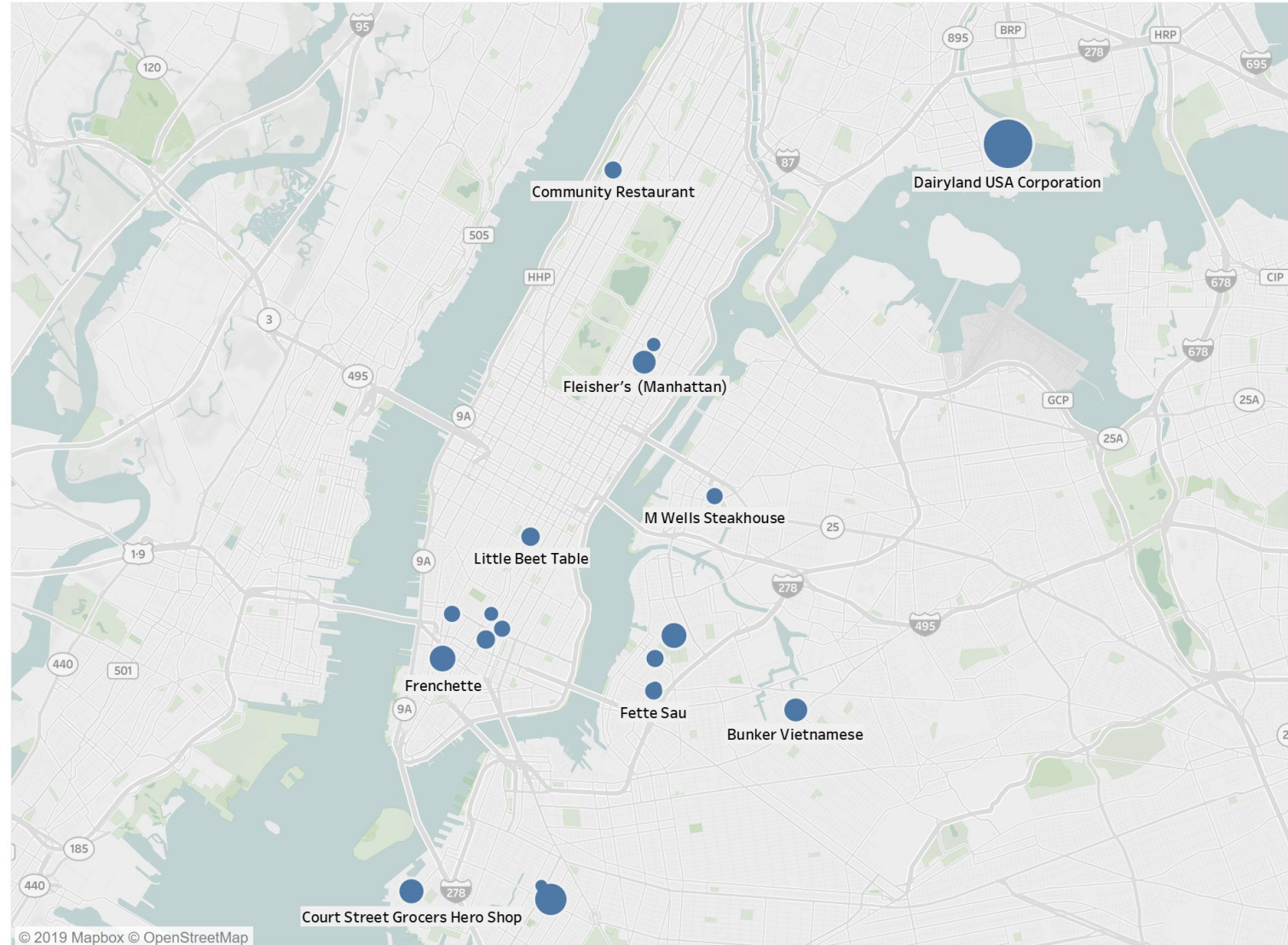
Build a Logistics Network



Delivery Scheme

NYC HIGH-VOLUME CUSTOMER BASE

Top 20 Consumers of HV Meat



2019 MERCEDES-BENZ SPRINTER 2500

- \$59,000 (new)
- Diesel → Long service life
- Thermo King V-320-20 refrigeration unit
- Capacity: 375 cu ft (60+ cases)
- Est. annual maintenance and repair: \$1,778

Organic Logistics
Infrastructure:
Step 1

\$27.85 / drop



<https://repairpal.com/mercedes-benz/sprinter+2500>

<https://www.commercialtrucktrader.com/listing/2019-Mercedes-Benz-SPRINTER+2500-5009328919>

2019 MERCEDES-BENZ SPRINTER 2500

Organic Logistics Infrastructure: **Step 1**

Lease

\$1,007.93/month

incl. taxes and fees, on approved credit

\$5,000 due at signing, 15,000 miles/year, 36 months

Offer expires Oct 31, 2019

Finance

\$948.46/month

incl. taxes and fees, on approved credit

\$10,000 down, 60 months, 2.9% APR

Offer expires Oct 31, 2019

<https://repairpal.com/mercedes-benz/sprinter+2500>

<https://www.commercialtrucktrader.com/listing/2019-Mercedes-Benz-SPRINTER+2500-5009328919>

Organic Logistics
Infrastructure:
Step 2

NEW HIRE: DELIVERY DRIVER

- Based in Newark area
- Round trip from warehouse to city in one day

The average hourly pay for a Mid-Career Delivery Driver in New York, New York is \$16.53.



Source: https://www.payscale.com/research/US/Job=Delivery_Driver/Hourly_Rate/8872810a/Mid-Career-New-York-NY

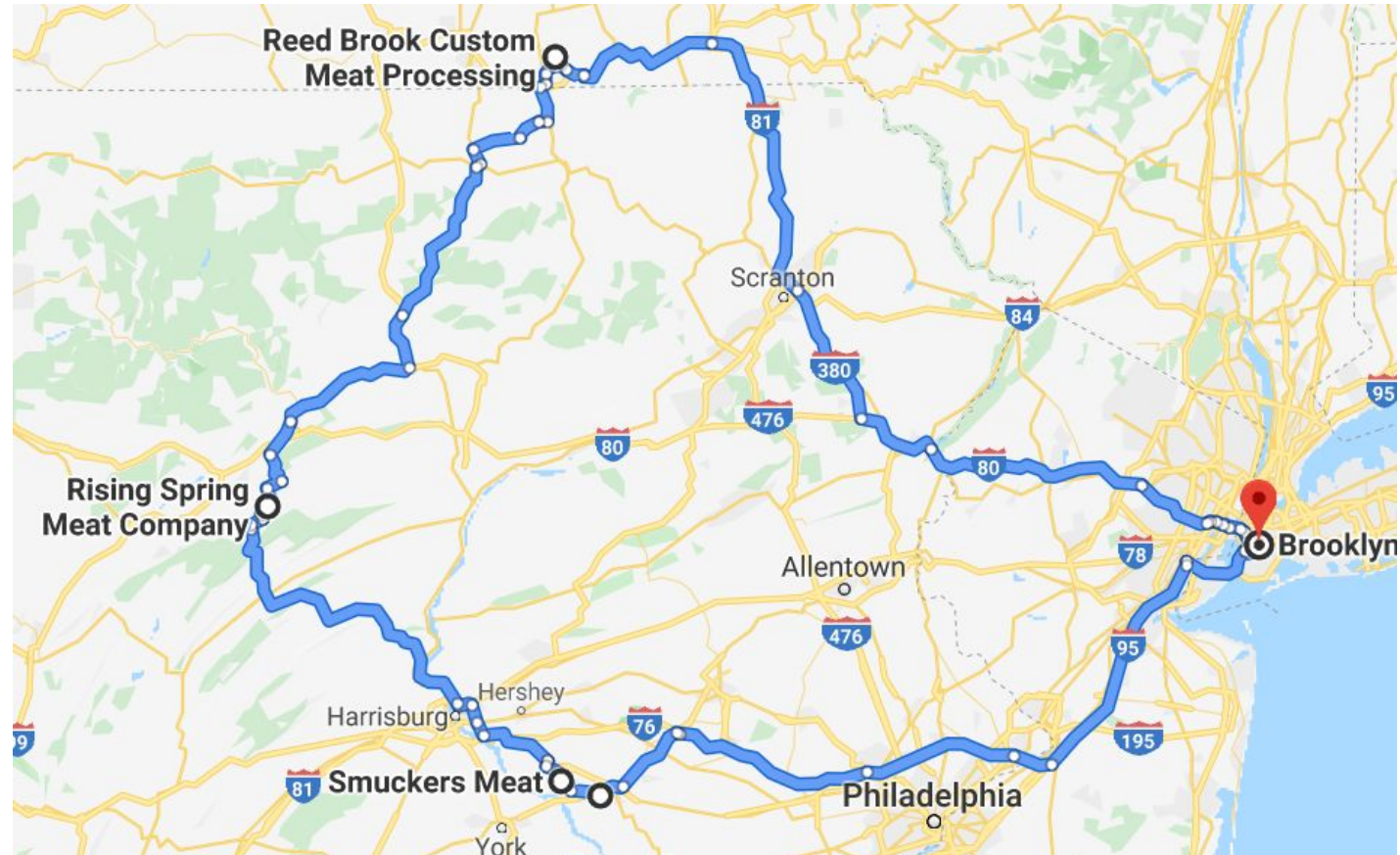
Hiring & Retaining Drivers

- Older drivers are more reliable (50+)
 - Younger people tend to bounce around
- Indeed.com → Get a lot of hits from people who want an interview to keep unemployment benefits (40-50 a day)
- Background checks, drug testing
- No CDL needed.



ROAD WARRIOR

- Additional Duty of Operations Associate
- Unannounced visits at random intervals
- The “Slaughter Circle”:



640 miles, 12 hours, 1 overnight

“You don’t get what
you *expect*... You
get what you
inspect.”

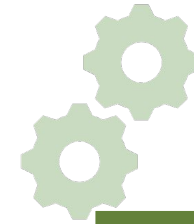
QA vs QC

Quality Control



- Reactive
- Focused on Product
- Finds Defects

Quality Assurance



- Proactive
- Focused on Process
- Prevents defects

The Road ahead



Own the Plant

- JV or full ownership
- Onsite warehousing
- Centrally located to customer base



Logistics Network

- Delivery to NYC with option to expand to Philly
- Door-to-door service → Cut out FedEx



QC Road Warrior

- “Slaughter Circle”
- Unannounced Visits
- Leverage buyer power

Error Categories (Top 80%)Data since Jan 2017

