



TURNKEY DESIGN & IMPLEMENTATION



OPPORTUNITY

A mid-sized food service produce company developed a strategic initiative to focus on developing retail value add produce products. This organization had experience in produce handling but had very little experience with a ready to eat product that included smaller SKU sizes, multiple containers, tighter margins, more regulatory requirements, and shorter order lead times.

PLAN

This firm brought KESI Management in to help them develop a framework of how to enter the marketplace as well as become sustainably profitable with this new product segment. The KESI team first did an in-depth evaluation of the existing business structure to look at current model, information system capacity, production capability, support department functionality, and facility flexibility. With this detailed information, the KESI team worked alongside the client's key personnel to develop a short term and long-term sustainable retail product roll out plan. This plan included a marketplace intro strategy, individual SKU costing models, a year one and year two capital investment plan with scaled layouts of the facility showing new equipment and detailed estimated return on investments, support department development plans, and key metric measurement automation updated on an hourly basis.

Once the plan was laid out to the client by the KESI leadership team, the firm requested that KESI take a key role in the implementation of the plan. The first step was to identify project owners within the organization that would drive the process implementation and change. KESI's Engineered Innovation Group developed scope of work for each capital investment and went to the marketplace to establish costing and equipment installation timelines. Multiple solutions for each project were presented to the client's executive team and ownership group and they were allowed to choose the direction of the capital spend. Weekly meetings with key personnel for each project took place identifying and setting accountability for each step, helping to ensure successful equipment startups and budget achievement for each capital project. The KESI Consulting Team worked with the sales team and warehouse personnel to develop a product rollout and delivery plan that minimized start up issues.



KESI MANAGEMENT AND DIVISIONS
7320 E 86TH ST SUITE 400
INDIANAPOLIS, IN 46256
WWW.KESIMANAGEMENT.COM

CHALLENGES

This implementation occurred during one of the worst supply chain crunches in US history. Delays in equipment arrival and installation caused increased labor costs as the client began entering the marketplace with their new product. The KESI team spent substantial time on the production floor evaluating improvement options, both short-term and long-term. It became evident very quickly that mid-level management had little presence directing change on the floor. KESI started working with executive management through production leads to focus on the importance of employee training as well as developing measurable hourly expectations. Once this gained traction, the organization saw a sharp decline in labor costs and consistent improvement in fill rates.

OUTCOME

The client entered the retail produce marketplace in March of 2021. Strategic planning, smart investing, and development of key positions within the organization lead to a strong product launch with steady growth. As of October 2021, ready to eat direct to retail product mix had added more than 10% to the client's total volume accounting for more than 15% of total revenue.

OUR PROCESS

IDENTIFY



PLAN



EXECUTE



SUSTAIN

OUR LEADERSHIP

AUSTIN KIRTLEY

Co-Founder & Managing Partner

317.603.4100

DUSTIN VARVIL

Senior Partner

317.619.5141

MEHRDAD ERFAN

Co-Founder & Managing Partner

813.389.9129

STEVE SPENCER

Senior Partner

317.727.2730