

# Perishables Case Study

## About the Company

The Company is a market leading, global grocery and general merchandising retailer headquartered in the United Kingdom.

It has stores across Asia, Europe and North America.

Originally a UK-focused grocery retailer, the Company has diversified both geographically and into areas such as the retailing of books, clothing, electronics, furniture, petrol and software, financial services, telecoms and internet services, DVD rental and music downloads. It is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index.

## Key Issues

The Company made the decision to change their buying terms on Fast Moving Consumer Goods (FMCG) from CIF to an FOB model. In summary to purchase directly from the supplier, removing the "middle man", in this case, export, grower, agent and importer.

The scope of the project was to create a global logistics platform through Toll that would facilitate a Managed procurement movement from origin to DC. Initially Toll was awarded the UK logistics. This led to further projects involving their stores and processes in CE and USA.

## Solutions

Toll UK created a visible platform for the backend logistics into the UK. This was achieved by creating a model that draws down on all elements within the supply chain, namely carrier, warehouse and transport providers. The Company has acknowledged that whilst a 3PL or 4PL model has been in the market place for some time, the Toll Multi Dimensional Model (MDM) created a transparent operation, drawing down and embracing the strengths of third parties, rather than trying to create a one solution through Toll's infrastructure.

Toll is now working on CE, once again looking at logistical solutions for product entering into such a market and efficient delivery into their stores. For example Toll is currently working on fresh fish/frozen from Turkey into CE.

## Expected Outcome

Toll hopes to become a strategic partner to the Company globally, creating conceptual and workable logistical models to allow them to capitalise on consolidated supplier volume critical mass, on both front and back end logistics. The result will be reduced cost, and efficient chain management. In the fresh, chilled, frozen, grocery and BWS. The Company currently has a volume exceeding 1 million TEU's.