

Implementation & Results for a Leading Food and Beverage Processing Company – Case Study

1. Introduction

This is a leading supplier of shelf-stable, dairy-based food, and beverage products for large CPG companies, emerging beverage brands, and private label retailers nationwide. The Company is the partner of choice in RTD beverage industry for top brands and private label retailers for food and beverage products including RTD coffees and teas, dips, beer, sauces, and snacks.

They have the expertise necessary to meet highly demanding consumer and regulatory requirements. Their capabilities include retort thermal processing expertise, in-house formulation resources, clean label, and organic production, and more.

Recently, this Food and Beverage Processing Company implemented LoadProof – the centralized enterprise photo documentation system for Food and Beverage products. This document describes the benefits that an effective photo documentation process can bring to avoiding load rejects with retailers.



2. Leading Food and Beverage Processing Company Supply chain – The Big Picture:

A leading food and beverage processing company, manufacture in one area and ship to their DC from where it is distributed to their retailers in the USA. They have one Distribution centre in Illinois, where they handle food products like Coffee beverages and varieties of bottled cheese. In order to provide the highest quality and best tasting products, they have invested extensively in their facilities and operation processes. As products should be distributed to retailers in perfect condition, they are shipping products in trucks with all damage avoiding measures. But still they got 4-6 trailer rejects per week. So they wanted to avoid trailer rejects and improve more supply chain visibility.

3. Leading Food and Beverage Manufacturer Supply Chain – The details:

The main objective of this project was to solve the following problem encountered by this leading food and beverage manufacturing company:

They had been losing money on retail chargebacks while shipping to retailers. In order to resolve this issue, they needed a solution with which they could prove to retailers that the fault was not on their side.

They had been documenting their loads with photos taken by a mobile camera, without the ability to save them in a single point, which made it hard to retrieve them when damage claims and load rejects would appear.

They needed a professional tool to document the loads leaving their facility, that would be used to make clients sure that goods left their distribution centre in a good condition.

“If you are a Food Manufacturer or Food Distributor - What You should do if number of loads getting rejected per week and losing thousands of dollars in retail chargebacks” – Then know how to avoid them like this leading Food and Beverage company in an efficient way with LoadProof.

4. What is the Problem?

In food distribution one of the main challenges is to maintain margins. In order to keep costs as low as possible, this leading food and beverage distribution center also uses advanced systems such as voice, labour control systems, and pneumatic systems. Even after sticking to all advanced measures, this food and beverage manufacturing company was still unable to control the rejection of loads.

They started taking photos of loads using mobile cameras, but were still unable to reduce chargebacks. Lacking a centralized system to store the photos for easy access to all their distribution center personnel made it difficult to retrieve photos from the storage to prove they did their job right, when that was needed. There were other drawbacks in their photo capturing process, as they did not have data on who captured which load. This led to a continuous increase in the number of load rejects from retailers. They realized they needed to document the loads in an organized way in a single system where they could share with their retailers about the condition of goods leaving their facility.

5. What is the Solution?

What they needed was a centralized documentation system that could help them store and easily retrieve shipment photos when they needed them.

LoadProof was exactly that - an enterprise solution that created photo documentation of loads and automatically uploaded them in a safe centralized cloud location. The system contained a barcode scanner that ensured easy photo tagging with PO or BOL number.

The documentation created like this, was then easily shareable with clients with a link or in pdf form, and each photo could be retrieved in a matter of seconds.

This companies General Manager heard about LoadProof from another leading food and beverage manufacturing company which had

already been using its solution in their supply chain. They reached LoadProof for implementing it in their distribution process.

After implementation, they could capture photos of trucks loaded with food and beverage products. Since they are transporting beverages such as beer and aerosol cheese they had to maintain products at the right temperature when delivering them to their retailers.

After implementing the LoadProof system they captured and stored all the photos in a single system with meta-contextual data for further identification. They mainly capture inbound loads they receive from their manufacturing unit and outbound loads along with the addition of dunnage bags and shrink-wrapping. All documentation can be easily accessed by all of their warehouse supervisors and shared with their clients. LoadProof helped them prove that the products are in good condition before leaving their facility.

6. What are the capabilities this leading Food and Beverage Processing Company obtained with LoadProof?

LoadProof is a Centralized Enterprise Photo Documentation System for the leading food and beverage processing company. It also improved their supply chain visibility and improved trust with their retailers.

6.1 Super-fast Photo Capture

After downloading the LoadProof app from the app store, the personnel's of this food and beverage processing company were able to take photos using their mobile devices in just a few seconds and then upload those photos to the cloud, also tagging the photos with appropriate contextual data elements.

While uploading photos, they have the capability able to add notes, and are also able to tag the pictures with the following Meta data

1. User that captured the photos.
2. Date when the photos are captured.
3. Time when the photos are captured.
4. GPS coordinates of the location where the

photos are captured.

5. Device that was used to capture the photos.
6. Android OS version that was running in the device that was used to capture photos.



The photos are captured in multiple resolutions based on the plan; the different resolutions that are available are Low Resolution, Medium Resolution, and High Resolution. This leading food and beverage processing company uses high resolution pictures to capture pictures of documents such as Packing Slip, Bill of Lading, and Trailer Inspection Form.

6.2 Super-Fast Photo Retrieval

So now the photos are uploaded to the LoadProof system, users can easily log on to the LoadProof portal through the browser and look up photos from wherever they need to. Users logon to the portal by providing their credentials, which includes a user id and password. Then users are able to input one or more of the contextual data that had tagged the pictures with and then perform a super-fast search. Now users can retrieve the pictures they need, drill down further and look at the pictures individually, zoom in, zoom out, save them locally if they need to (not recommended often) and also examine any notes that was entered and also look at the date stamp, time stamp, GPS coordinates etc. if there is a need to validate any of these data set for each picture.

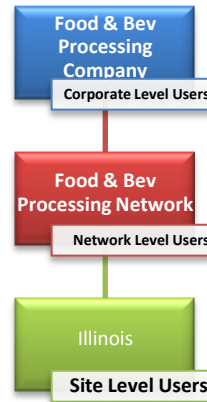
6.3 Super-Fast Photo Sharing

After retrieving pictures users can share the pictures with anybody else, usually customers, vendors, partners, carriers, cross-dock facilities, insurance companies, claims processors, Retailers, consolidation facilities, etc. in multiple ways as listed below,

1. By generating one PDF document for the entire load.
2. By sending the entire load to a customer by inputting an email address.
3. By setting up a customer as a user within LoadProof.
4. By generating a LoadProof URL for each picture and then sharing that URL in an email.

5. By generating multiple LoadProof URLs for all pictures and then sharing those URLs in an email.

6.4 Supports Enterprise Supply Chain Network Architecture

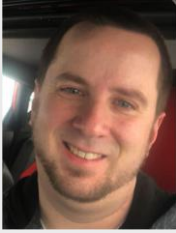


1. This food and beverage processing company have corporate level users set up that have visibility to look at pictures across all the sites
 - a) These users could be picture taker users or picture viewer users or both
 - b) These users could also be Admin users or Non admin users
2. They also has Network level users that have visibility to look at the pictures at the Supply Chain Network level
 - a) These users could be picture taker users or picture viewer users or both
 - b) These users could also be Admin users or Non admin users
3. They has site level users that have visibility to look at the pictures at the site level
 - a) These users could be picture taker users or picture viewer users or both
 - b) These users could also be Admin users or Non admin users

6.5 Integrations with other Systems

1. LoadProof supports integration with other systems.
2. LoadProof is already integrated with Mercury Gate, MyEzClaims System. MyEzClaims is a Freight Claims Processing system that helps shippers process their Freight claims with multiple carriers faster and easier.
3. Loadproof can be integrated by setting up a field to look up from any other

Ryan Bicksler – General Manager, Leading Food & Beverage Processing Company



The amounts of rejected loads have decreased significantly. WE WILL HAVE 4 to 6 TRAILERS REJECTED PER WEEK, NOW THAT HAS GONE DOWN TO MAY BE 1 A WEEK. It has been a fantastic tool for us – It is very easy to use, it can save a lot of \$\$\$, we are already looking to Upgrade”.

system using a hyperlink so that LoadProof data can be pulled into a browser directly by clicking a link in the external system.

7. What are the Benefits?

The results were fantastic, the General Manager mentions in his testimonial that he was able to reduce the number of damage claims and load rejects. Now they are not spending a lot of time just looking for photos. Now they are saving anywhere about 23 hours per week in their facility on the time that is otherwise spent on organizing the photos and retrieving them when the retailer comes back for damage and freight claims.

7.1 Measurable Hard Benefits

1. Now there is one centralized place to get the photos from, retrieval of photos is super easy, their personnel retrieve the photos in seconds instead of spending hours and hours looking for those pictures. All the time related to this activity is saved now.
2. With the centralized sharing of photos is super easy, all the personnel of this leading food and beverage processing company have to do is put in the email address and push the send button, the person on the other end gets the picture within minutes and there are no more back and forth conversations wasting time. All the time related to this activity is saved now.
3. Their operators started doing a much better job, when everyone knows the quality of the work we are doing is documented. They were able to better serve their customers.
4. They were setting up their own DC as the users of LoadProof, basically it is a self-service model, which helps tremendously because now, instead of calling their other DC personnel they can look and download the pictures whenever they need, life is so much better, everything related to the photos is super easy. All the time related to this activity is saved now.
5. Before, their retailers would come back for a damage claim and load rejects. Their DC units wouldn't have anything to show that they did their job right. So all they can do is pay for the damages. But now with

LoadProof, they can show the photos and say, hey we did send this item along with the picture of the PO and trailer inspection form. By this way they were able to prove that it is not their fault.

6. With LoadProof now they are able to capture the Trailer Inspection Form which is critical in food and beverage transportation. The form has some critical factors to inspect such as if the ceiling of the trailer has any holes / leakage and if the floor of the trailer has any holes or water which could cause harm to the expensive product. Now with picture documentation they were able to capture their shipping conditions such as addition of load bar, air bags between the pallets and also the condition of the seals they fix in the outside door of the trailer. With these additions they were able to prove that they did their job right. It also made them much easier to have that conversation in a rejected load scenario and as they can push back on the customer as we they have proof.

7.2 Intangible Soft Benefits

1. Now there is one centralized place to get the photos from, retrieval of pictures is super easy, their personnel retrieve the photos in seconds instead of spending hours and hours looking for those pictures. All the time related to this activity is saved now.
2. Everybody in the distribution center feels good about the centralized picture documentation system. There is no more uneasy feeling in the stomach when a retail customer reports damage and submits a damage claim. Nobody is losing sleep over damage claims and rejected loads.
3. The visibility to the steps they do to ensure the product is shipped in excellent condition to all parties, customers, Carriers, internal stake holders such as the Salespeople, Customer Support people, Support Technicians, etc... makes them feel much better, if there is any complaint, and they can immediately pull the pictures and show them.

The visibility has enhanced transparency, so the trust with their partners has improved significantly, their reputation in the industrial products supply has improved as well.

4. Inbound Quality Process – They have also started to take pictures in their inbound loads for Quality Audits, with pictures now we are able to push back on their manufacturing unit, and also they understand the issues faster and better as pictures are worth thousand words, these results in getting the quality issues addressed faster and better.
5. Ability to set up multiple facilities and multiple personnel at the facility level and at the corporate level is very helpful also. It has eliminated unnecessary calls quite a bit; nobody has to wait for the other person to inspect loads.
6. It made everyone in their supply chain to be accountable for whatever actions they do. This resulted in better discipline and work culture in their supply chain as a whole.

8. What are the Cost Savings?

The savings are summarized below under different sections as appropriate.

8.1 Savings due to implementing a Centralized Enterprise Documentation System for Pictures & Videos

# of Hours saved per facility per week	23.5
# of Facilities	1
Hourly rate of employees that manage these pictures	\$40
Total Savings in a year per facility	$23.5 \times \$40 \times 54 = \$50,760$
Total Savings across 2 facilities per Year	\$50,760
Total Savings per Year within the entire Supply Chain Network	23.5

8.2 Savings due to Reduced Damage Claims submitted by customers

Average # of Shipments in a month	230
# of Facilities in supply chain network	1
Average value of a shipment	\$5600
Average value of all shipments in one facility in one year	$\$5600 \times 230 \times 12 = \$15,456,000$
Average \$ lost (0.5% damages) due to load rejects	\$77,280
With LoadProof that dollars lost is reduced to 20%, hence the savings are 80%	\$61,824

The dollars lost due to damage claims submitted by customer's results in \$77,280.

With LoadProof, that is reduced by 80%. Hence the savings are 80%.

Industry Numbers: The Load Rejects vary around 2% as per Industry standards. For this leading food and beverage processing company is of 0.5% which results in savings of \$61,824.

8.3 Savings due to Faster Processing of Retail Chargeback's

Average # of shipments in one facility in one year => 230 shipments per month x 12 months	2760
# of Facilities	1
Hourly rate of employees that manage these pictures	\$40
Estimated # of shipments (1% of total shipments) that results in Retail Chargebacks within the supply chain network	27
Hours saved with faster processing of quality within supply chain network (12 hours saved per freight claim)	27x 12 = 324
Total dollars saved = 324 X \$ 40/hour	\$12,960
Total Savings/Year within entire Supply Chain Network due to faster Quality Issues Process	\$12,960
Average # of shipments in one facility in one year => 230 shipments per month x 12 months	2760

The total savings with faster processing of quality issues is \$12,960

Industry Numbers: Average number of Quality issues for outbound shipments is approximately 1% of the number of shipments. For this leading food and beverage processing company is around 1% which results in a savings of \$12,960 with faster processing of shipping quality issues.

8.4 Quality Audit after Inbound Receipts – Direct Hard Savings

Average # of Shipments in a month	230
Total # of shipments in 1 year	230 X 12 = 2,760
Average # of issues identified in Quality Audits = 2% of total shipments	0.02 X 2,760 = 55
Total hours spent in resolving those issues identified in quality audits – 10 hours per unit	55X 10 = 550 hours
Total \$ spent in the labor in resolving the issues identified in quality audits @ \$40 / hour	550 X \$40 = 22,000
As the Quality issues are documented using pictures vendors understand the problems better and resolve them quickly resulting in reduced time spent on clarifying quality issues. This time of spending 10 hours per unit is reduced to 2 hours per unit, so the 8 hours are saved per unit.	
Total Hours spent in resolving the issues identified in Quality audits using LoadProof	55 X 2 = 110
Total \$ spent for in the labor in resolving the issues identified in quality audits @ \$40/hour	110 X \$40 = \$4,400
Savings = \$22,000 - \$4,400	\$17,600

8.5 Total Savings per Year

Savings due to Centralized Picture Documentation System	\$50,760
Savings due to reduced load rejects	\$61,824
Savings due to faster processing of quality issues	\$12,960
Savings due to reduced labor spent in quality audit	\$17,600
Total Savings	\$1,43,144

About Smart Gladiator - LoadProof

LoadProof was created as an image repository to allow operators to take images of any damaged, fragile merchandise. The Smart Gladiator LoadProof software is designed to allow companies to have an index-able database in the cloud for all of their pictures.

