



Stone Consulting, LLC - SC

Supply Chain, Logistics, Distribution and Transportation

Broad Logistics Expertise



DELIVERING CONSISTENT PROVEN RESULTS



Supply Chain, Logistics, Distribution and Transportation

- Focus on contribution to drive company profit focus
- Warehouse productivity improvements of 5% - 15%
- Reduction of mispicks and warehouse shrink
- Route optimization and fuel / equipment reduction
- Cutting first load tender rejects by 10-35%
- Improved labor savings on E-commerce fulfillment by as much as 10%
- Reduction of seasonal trailers storage at both store and DC by 50% with improved order cycle and backroom efficiencies
- Activity based assessments for geographical needs for general and seasonal distribution centers
- End to end supply chain reviews savings \$millions in improved lead times
- Introduction of seasonal cross-dock opportunities leading to fewer out-of-stock at store level
- Introduction of 5S backroom strategy driving improved store out-of-stock

SC CASE STUDIES

The case studies that follow illustrate significant bottom line improvements across various retailers – the programs focused on shrink, labor performance, process reengineering, labor standards, sales enhancements, fresh item management, front-end/POS, loss prevention, transaction monitoring, etc.

The logo for Michael's, featuring the word "Michael's" in a white, cursive script font on a red rectangular background.The logo for Ahold, featuring a blue crown icon above the word "Ahold" in a blue, sans-serif font.The logo for Montana Tractors, featuring a stylized "M" in a circle followed by the word "Montana" in a bold, sans-serif font and "TRACTORS" in a smaller, spaced-out, sans-serif font below it.The logo for Southern States, featuring a stylized red "S" icon above the words "SOUTHERN STATES" in a bold, blue, sans-serif font.

SC Case Study Examples

Supply Chain Enhancements



- Developed a process to determine appropriate minimum quantities for SKUs based on SKU velocity and shelf capacity.
- Developed plans to reallocate DC SKU slotting's to more predictable SKUs in order to reduce some of the unpredictability of slower, unforecastable SKUs
- Analyzed overstocked/aged inventory and DC holding capacity to develop a recommendation to reduce backstock by units by aligning pack sizes and shelf capacities to SKU performance
- Analyzed over 20,000 SKUs to identify economic order quantity opportunities.
- Identified SKUs that should be ordered in layers and full pallets
- Developed methodology to classify over 35,000 SKUs into an improved replenishment process... versus an erratic, intermittent demand based on sales frequency and variability
- Recommended the opening of seasonal import centers in order to create space in the DC's and improve in-stock, as well as the inventory position on seasonal items to include cutting temporary storage and transportation costs
- Freight flow analysis
- Total estimated savings of \$2m per year

SC CASE STUDY EXAMPLES

End to End Supply Chain Assessment and Review



Review	Partner	Complete	Review	Review	Impact	Study
Review of seasonal supply chain and relative timing of product flow	Partner with merchandising on timing study of product sourcing	Complete assessment of DC operations during seasonal flows/sales October thru December	Review storage requirements for seasonal goods outside the walls of the DCs and its timing/cost	Review of store deliveries and their frequency during this period and impacts on back room storage	Impact analysis of e-commerce fulfillment being handled by DCs with a cost/time analysis saving \$350k in labor cost	Study of private fleet backhaul revenue opportunities reducing transportation spend by \$2.3m

SC CASE STUDY EXAMPLES

Supply Chain Assessment and Review of Grocery Fast Movers their Inventory Position



- Review of grocery fast movers inventory position and relative timing of product flow
- Determined that high volume items safety stock was excessive and taking up additional SKU's slots in the DC's
- Reviewed storage requirements to include seasonal goods inside the walls of the DCs and its timing/cost
- Review of store deliveries and their frequency
- Completed a cost study analysis on the possibility of moving some items through a cross-dock operation to reduce inventory cost and days on hand of safety stock as well as time handled by DCs. This cost/time analysis **saved over \$2.75m in inventory and labor cost**

SC CASE STUDY EXAMPLES

Supply Chain Review focus Domestic and International



- Multiyear project with complete review of material flow from both international and domestic suppliers
- Baseline study of inventory positions in both finished goods and associated replacement parts
- Identify industry best practices for supply chain product lines and/or channels, focusing on material movement, sources and destinations, with applicable volumes
- Activity based cost analysis on transportation flow
- Complete international and domestic transportation bids
- **Sourcing of carriers as part of transportation bid with savings over \$2.5m in first year**



- Multiyear client with multiple projects in transportation and distribution
- Originate and develop the required processes and KPI for managing both distribution and transportation
- Review of existing WMS and TMS systems for functionality to include future growth capabilities
- Tracking of supply chain expenses through the financials to develop accurate financial reporting on overall supply chain costs
- **Eliminated excessive cost components within the supply chain saving over \$13m**

Key Personnel – Ted Wade

Ted Wade is highly recognized as a leader in the supply chain and logistics industry with over 30 years of experience. Ted has been the Managing Member and Founding Partner of Stone Consulting, LLC since retiring from Walmart in 2002. He was the COO and Vice Chairman of the Board for Montana Tractors from 2005-2010. He also co-owned and managed Red Rock Oil Field Hauling, LLC, up and until its sale in 2016. He now currently owns a third party logistics company, SC Logistics Services. Top Fortune 500 companies have sought his strengths in leadership and operations management. As a Vice President of Logistics at Wal-Mart, Ted led all the operations associated with inbound domestic transportation for Wal-Mart Stores Inc., with a transportation budget exceeding \$3.6 billion. He has spent time in distribution and e-commerce in both retail and as a consultant.

Core Capabilities

- Operations Management
- Financial Analysis
- Logistics/Distribution
- Purchasing, Sourcing and Contract Negotiation
- Supply Chain Management
- Transportation- (International & Domestic)
- Strategic Planning
- Leadership

Industry Experience

- Mass Merchant
- Grocery
- General Merchandise
- Specialty

Key Retailer Experience: Walmart, Sam's Club, Ahold, Duckwall Alco, Southern States, Meijer, S. African Free Trade Org., JB Hunt Oil Field Hauling, Montana Tractors, and Michaels

Notable Achievements

- Ted had direct responsibility for the areas of General Merchandise Traffic, Grocery Traffic, Carrier Relations, Systems, Freight Payment & Claims, Corporate Vehicle Administration, Strategic Planning, and Marketing Services
- Implementation of a carrier transportation negotiation software solution between Logistics.com and Wal-Mart, saving the company and estimated \$200 million in the first year, with process improvements that cut first load tender rejects from 60% to 14% and was able to reduce overall supply chain lead time by one day, thereby, reducing millions in excess inventory
- Participated in the strategic planning of the startup of e-commerce and associated distribution for the world's largest retailer
- Led the re-work of several end-to-end supply chain reviews generating over \$40m in direct savings
- His success in these areas has been noted in Traffic World Magazine and Transport Topics. He is a member of the Council of Supply Chain Management and has been nominated as a member of the Founding Fathers of Intermodal.

Key Personnel – Scott Finley

Scott Finley has over 20 years of experience in the logistics industry with JB Hunt, Wal-Mart, Red Rock Oil Field Hauling and others. He has held both operational and administrative positions ranging from Logistics Manager to General Manager. His experience includes various modes of transportation to include: Truckload, LTL, Intermodal, Small Package, Flatbed, Heavy Haul – Specialized, and Third Party Logistics. Scott is a visionary leader, mentor and coach. He has a passion for customer service, continuous improvement, and open communication at all levels.

Core Capabilities

- Operations Management
- P&L Oversight
- Logistics
- Purchasing, Sourcing and Contract Negotiation
- Supply Chain
- Strategic Planning
- Leadership
- New Business Start-ups

Industry Experience

- Grocery
- Big-Box
- Transportation
- Specialty
- Intermodal
- 3PL Management

Key Client Experience: Wal-Mart, Southern States, Montana Tractors, SC Logistics, SC Transport Services

Notable Achievements

- Led the successful start up of a trucking terminal operation from ground zero with 20 power units and 45 employees with revenue of \$500,000 in the 2nd month in support of retail operations
- Oversaw the implementation and transition within a retail company from its own private fleet to a 3PL solution with multi-stop distribution network
- Led the RFP and implementation for Opti-bid for Wal-Mart Stores, Inc encompassing both full truck load and LTL
- Implemented the baseline testing for converting over the road grocery retail shipments to intermodal saving millions in purchase transportation
- Outsourced 3PL distribution and transportation solution saving \$10m in overall supply chain cost
- Initiated revision of load tender process cutting first load tender reject by as much as 35% on some lanes
- Introduction of first time LTL bid for cost savings equal to \$5m
- Managed all carrier sourcing for the world's largest retailer
- Developed routing solution for all vendor shipments to better manage back-haul vs head-haul freight

Key Personnel – Jimmy Wright

Jimmy Wright is a well known logistics executive with *over 30 years in the retail business* . He has been recognized as one of the key author's of logistics success within Amazon and Wal-Mart Stores, Inc. As an integral part of the leadership team at Wal-Mart Stores, Inc he help develop Wal-Mart into one of the most efficient logistics and supply chain companies in the world. He had operational responsibility for Distribution and was member the profit sharing committee and 401k executive committee for Wal-Mart. At Amazon he was a key designer of the operational, merchandising, and inventory management standards for the world's largest E-commerce provider globally.

Core Capabilities

- Distribution
- Logistics
- Supply Chain
- Merchandising
- Inventory Management
- Operational Performance
- Strategic Planning
- Cross Functional Team Leadership
- Change Management

Industry Experience

- Grocery
- Retail
- E-commerce
- Automotive
- Electronics

Key Retailer Experience: Wal-Mart, Amazon, Autozone, Silver Lake Partners, Southern States, Meijer, Cap Gemini, Ernst & Young, SharkNinja and Procter & Gamble

Notable Achievements

- Lead the collective efforts for the addition of grocery distribution centers and supporting network for Wal-Mart Stores, Inc
- Managed the year on year growth for dozens of general merchandise, fashion, E-commerce, and specialty distribution centers for Wal-Mart Stores, Inc
- Provided insight into the development of the employee 401K program through the executive steering committee at Wal-Mart Stores, Inc
- Responsible for helping start the design of operational, merchandising and inventory management standards at Amazon
- Developed tools for retailers, venture capitalist's and others for evaluating operational performance, strategic direction, logistics and profitability