

USDA Foods BMI School Recipient Track

ACDA ANC
April 2017



United States Department of Agriculture
Food and Nutrition Service



Business Management Improvement

BMI Project - AMS & FNS sponsors

- Initiated October 2015
- Improve USDA Foods procurement and delivery processes
- Identify pain points and process/procedure changes
- Business case and implementation plan delivered

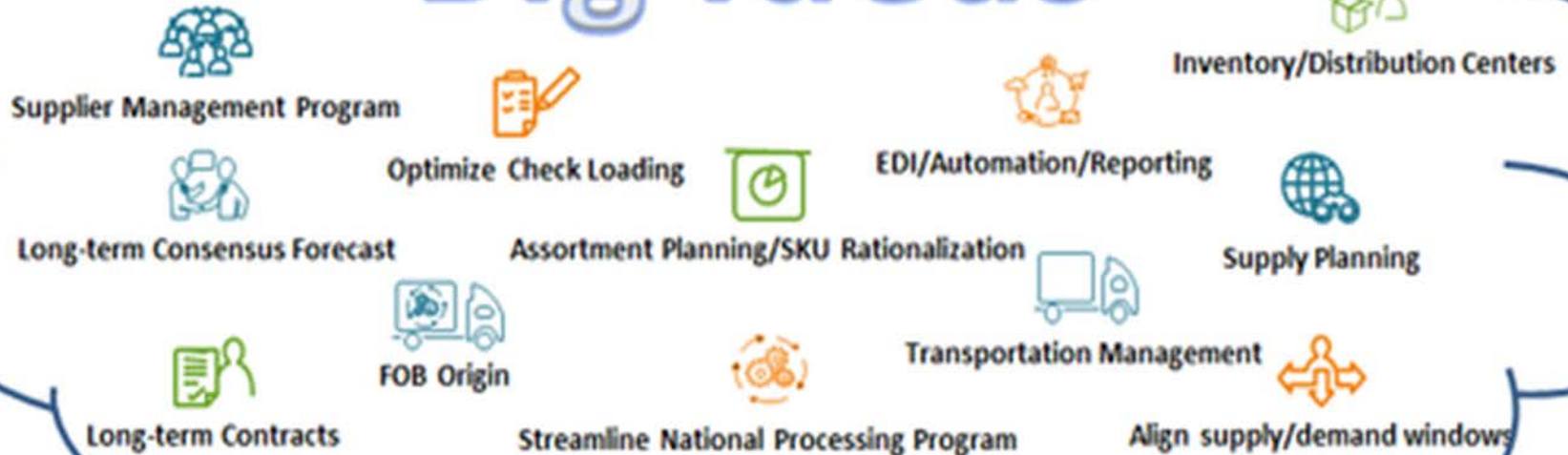
Business Management Improvement

USDA Foods BMI Goals

- Improve product availability
- Improve on-time delivery / shorten delivery periods
- Improve product variety, storage and distribution
- Increased demand and supply visibility
- Improve USDA Foods integration with industry and nutrition program operations

To-Be Solutions

Big Ideas



Business Management Improvement

Quick Wins

- Delivery Appointment Schedule: 48 => 72 hr.
- Eliminate SEPDS Signature
- Pilot to eliminate check loading requirement
- Improve new product development process
- Increase AMS/FNS collaboration
- Pilot to eliminate EPDS review summer blackout



United States Department of Agriculture
Food and Nutrition Service



Business Management Improvement

Demand & Supply Forecasting

- Demand forecast in advance of USDA Foods orders and product procurement
- Consensus forecast of customer demand and available supply
- Input for distribution center inventory levels
- Input for Long Term Contract Min/Max values
- Integrate with commercial purchases

Business Management Improvement

Transportation Management

- **Current - procurement to destination**
- **Current - transportation included in product cost**
- **Change procurement method to origin purchasing**
- **USDA establishes transportation management contracts**

Business Management Improvement

Align Supply and Demand

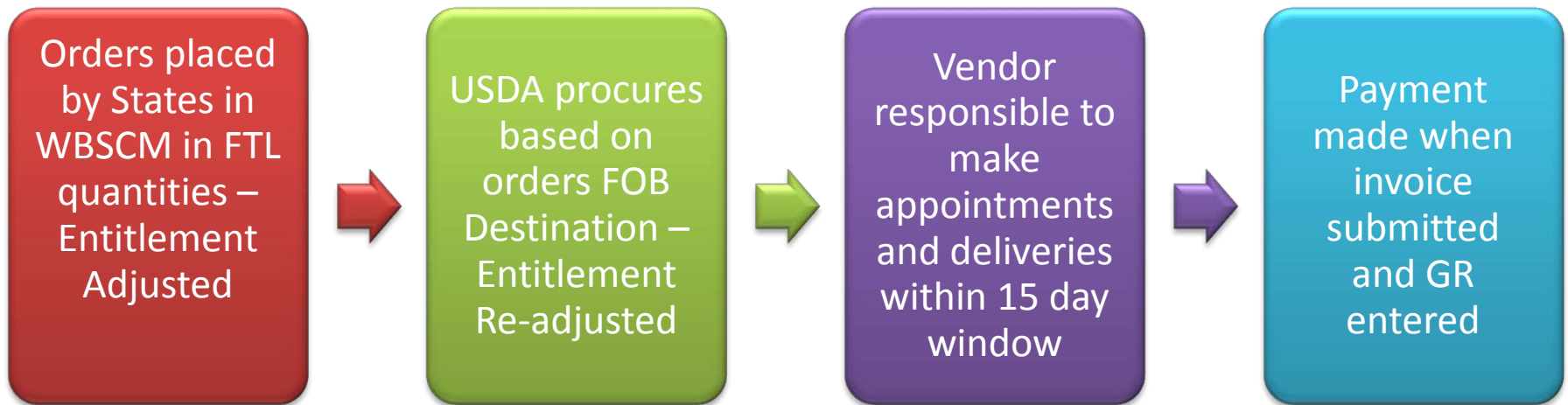
- Demand forecast in advance of orders
- Procurement without orders
- Supply forecast/plan to confirm availability
- Procure product supply (origin)
- Known quantity available to order

Business Management Improvement

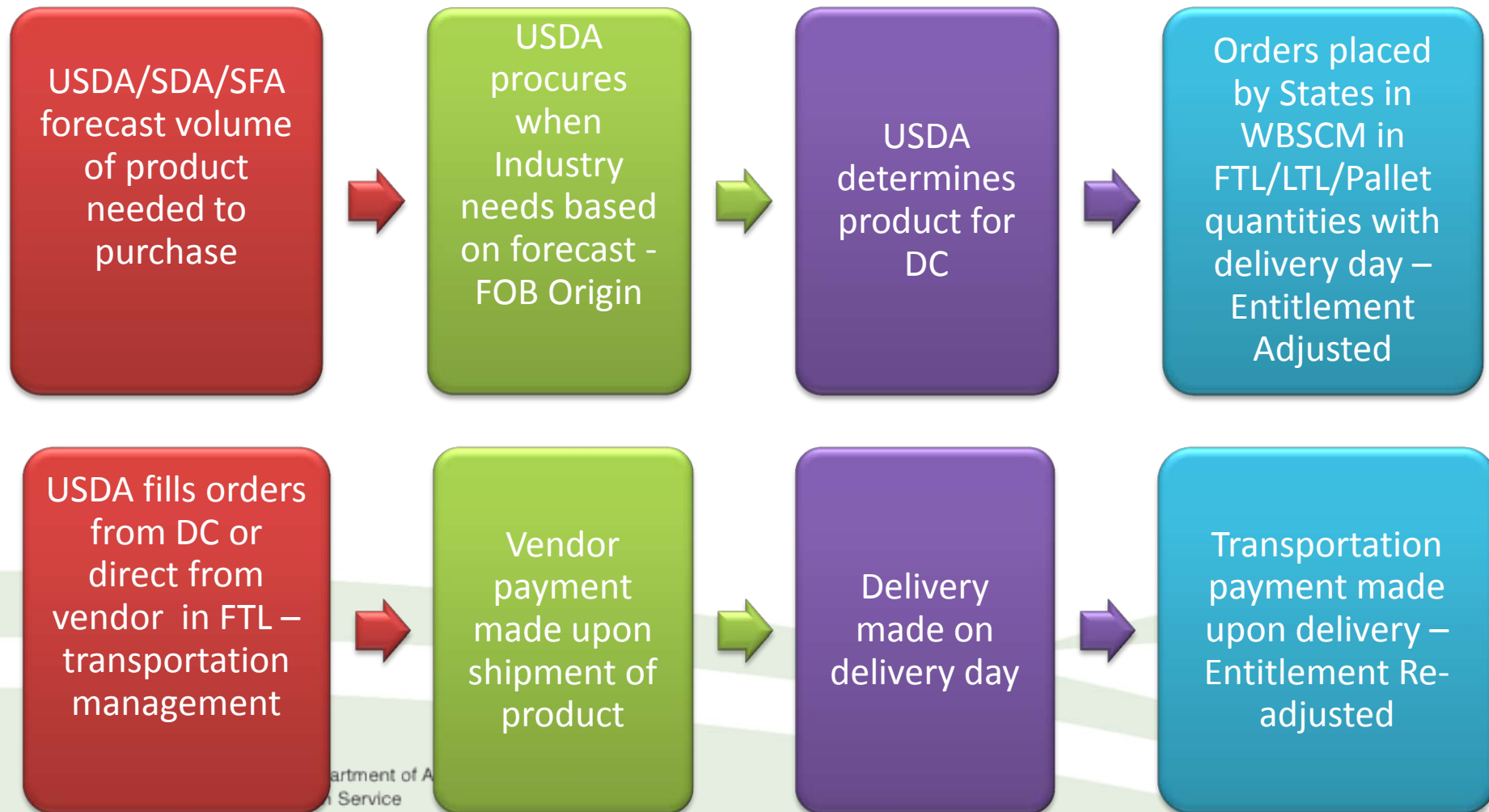
Distribution Centers / Mixed Loads

- **USDA maintains inventory at regional centers**
- **Demand forecast input for inventory levels**
- **Pallet quantity orders - mixed product deliveries**

Direct Delivered (Brown Box) – Current High Level Process



Direct Delivered (Brown Box) – BMI High Level Concept



Business Management Improvement

Electronic Data Interchange (EDI) and forecast automation

- Implement EDI capability in WBSCM
- Improve data sharing with partners
- Decrease administrative overhead and expense
- Demand forecasting tools for all stakeholders



United States Department of Agriculture
Food and Nutrition Service



Business Management Improvement

Processing Program

- Established separate BMI track to address processing program
- Administrative burden, excess inventory, bonds, value pass through, production plan and distributors
- Demand forecast, LTC, supply planning

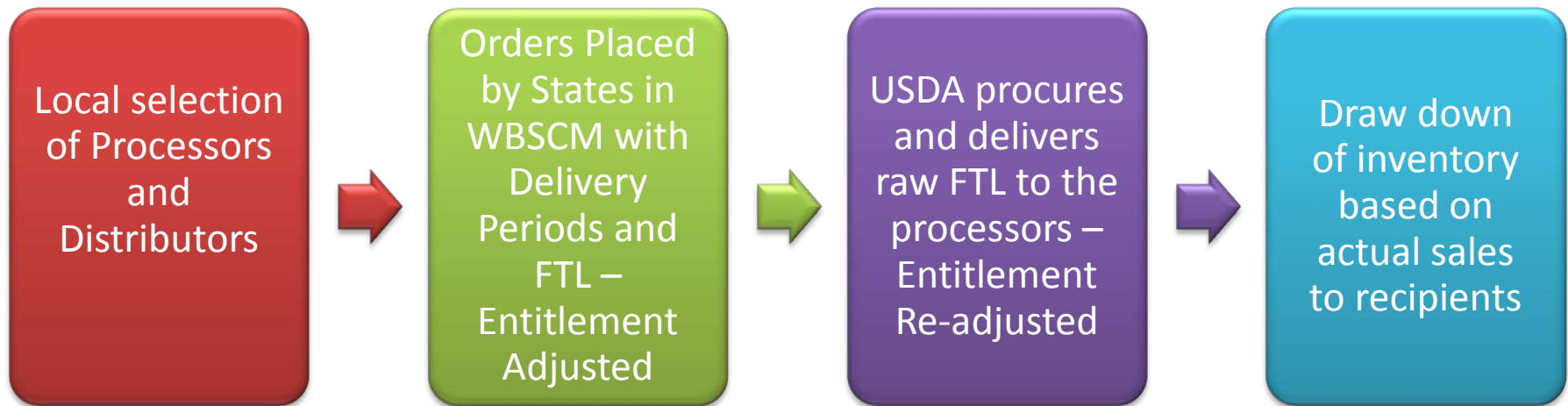
Business Management Improvement

Processing Program

- SDA no longer manages sales orders
- Value Pass Through (VPT) options
- Entitlement management
- Just in Time raw product delivery - processor orders
- Near real time inventory information

Business Management Improvement

Processing Program - Current Process

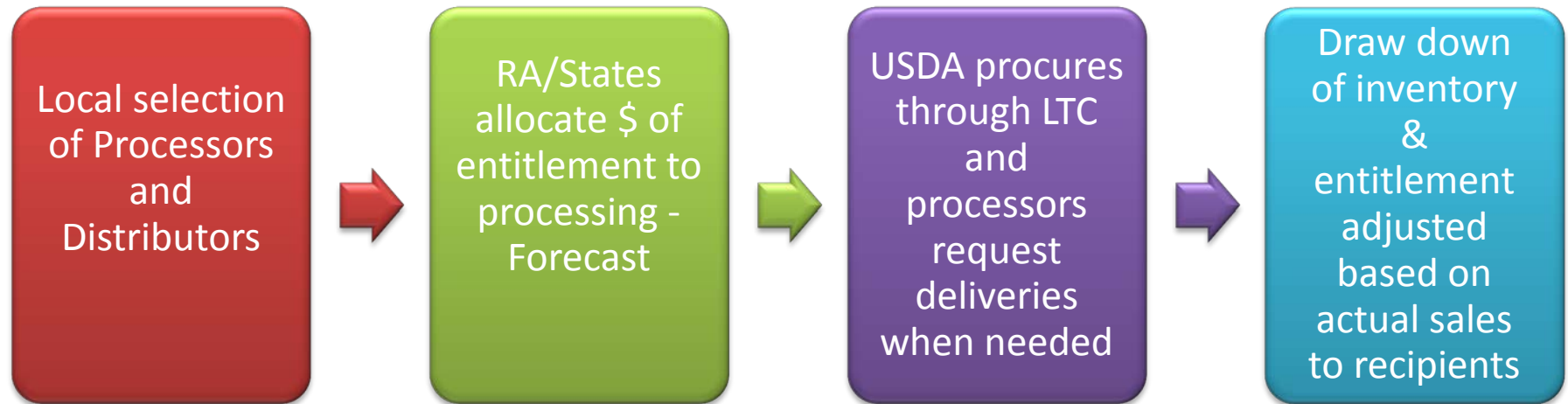


United States Department of Agriculture
Food and Nutrition Service



Business Management Improvement

Processing Program - BMI Future Process



United States Department of Agriculture
Food and Nutrition Service



Business Management Improvement

USDA Future State Implementation

- AMS and FNS assessing proposed solutions
- Implementation options being developed
- Discussions with WBSCM contractor for technical solution input
- Prepare briefings for AMS/FNS executive consideration

Questions?



United States Department of Agriculture
Food and Nutrition Service

