



DEL MONTE NETWORK SHIPPING BUSINESS CASE



Supply Chain & Logistics Operating System

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Business Case Del Monte NWS

EXECUTIVE SUMMARY

Del Monte, one of the world's leading vertically integrated producers, distributors, and marketers of fresh and fresh-cut fruits and vegetables, has decided to become a technology-driven company to drive efficiencies, including Del Monte Network Shipping, their supply chain business unit.

Its goal was to maximize the utilization of its logistics network to minimize costs, maintain sufficient flexibility to redeploy capacity or shipments, and cope with fluctuations in demand in North America.

That is why Del Monte has decided to integrate the Grydd OS Carrier module to streamline its shipping operations without resorting to spreadsheets, phone calls, and hundreds of people to make things happen. Now the company can manage its assets, plan routes, book shipments, create purchase orders, and track assets, freight, and product conditions while having full transparency of its financial and operational data.

ABOUT NETWORK SHIPPING

Del Monte is one of the world's leading vertically integrated producers, distributors, and marketers of fresh and fresh-cut fruits and vegetables. Its products include prepared fruit and vegetables, juices, beverages, snacks, and desserts, and are sold in more than 90 countries around the world, thanks to its supply chain business unit called Del Monte Network Shipping.

- Net Sales: \$ 4,200M USD
- Countries they operate: 21
- Countries with product availability: 90
- Team members globally: 37K
- Farms Worldwide: 6,700+

ABOUT ITS LOGISTICS

The company owns fresh products as well as third parties to diverse markets. It utilizes Del Monte's Network Shipping fleet of one chartered and twelve owned vessels and a complex operation at four U.S. port facilities. Network Shipping also operates 46 distribution centers, generally with cold storage and banana ripening facilities in its key markets worldwide, including the United States, Canada, South Korea, the United Arab Emirates, Saudi Arabia, Hong Kong, Germany, and France.

Del Monte's business unit also operates 25 fresh-cut facilities in the United States, the United Kingdom, France, Japan, South Korea, and Saudi Arabia. Some of these stand in their distribution centers. In addition, Network Shipping owns or leases other related equipment, including approximately 355 trucks and refrigerated trailers used to transport fresh products in the United States. In the Middle East, the business unit owns around 264 trucks to deliver raw and prepared food products to customers.

Network Shipping also transports fruit to multiple destinations worldwide using third-party container lines. These cover places that they do not service directly with their own fleet.

Between 2017 and 2018, the business unit entered into definitive agreements to build six new refrigerated container ships. Network Shipping believes these new fuel-efficient vessels will allow the company to generate logistics cost savings, expand its commercial cargo business, and enhance the freshness and quality of its products. It received four ships to January 1st in 2021 ("fiscal 2020"). The rest of the vessels came during the 2021 fiscal year. This ship-building program was supposed to replace the entire U.S. east coast fleet of ships. Network Shipping also operates a fleet of approximately 7,000 refrigerated containers.

GOAL

One of the most important global strategic pillars for Del Monte and its business Unit has been to become a technology-driven company to drive efficiencies.

It aims to maximize the utilization of its logistics network to reduce its average logistics costs per case and remain flexible enough to redeploy capacity or shipments to meet fluctuations in demand in its key markets.

The enterprise believes that logistics process control is a competitive advantage because it can continuously monitor and maintain the quality of its products while ensuring timely and regular distribution to customers. Because logistics costs are more expensive than product costs, Del Monte devoted substantial resources to optimizing their logistics network.

BUSINESS OPPORTUNITY

One of the most significant logistics costs has been maritime transportation. Therefore, Del Monte decided to undertake a process of capacity building. That means acquiring new container ships and simplifying, streamlining, and ensuring 100% compliance in its shipping operation by digitizing and automating with Grydd OS. In other words, what once was very manual and done by using thousands of spreadsheets, emails, phone calls, and the fallibility of hundreds of human beings; now it is done automatically and all in one single platform thanks to Grydd. Due to Del Monte digitalized its logistics processes, the company enhanced its performance achieving 62% of its Net Sales, just in North America.

THE PROCESS

In Grydd, we have a multidiscipline team with experts in different disciplines (business, logistics & supply chain, technology, data science, and art) to understand thoroughly our customers’ root problems. Thus, in this case, our team’s challenge was to discover alternatives to solve Network Shipping’s issues, ensuring a perfect fit with its processes, protocols, and policies.

To accomplish this, our dedicated team collaborated with Network Shipping’s multifunctional team (business, operations, technology, legal) based on agile methodologies that allowed a fast, efficient, and assertive definition, development, implementation, and execution of the operating system.

Optimize	Measuring performance to optimize performance during operation.
Launch	Power up your operating system with a soft landing to make sure everything is running smoothly.
Train	Train your team and all participants in your ecosystem.
Connect	Connect with your equipment and suppliers on your new operating system
Develop	Use smart technology to make it real
Design	Digitalize your actual processes, including providers'.
Immersion	Understand your vision, goals, business, processes, tools, and pains.

THE PROJECT

Under this proven process, we made its ocean carrier operation converge in its own Ocean Carrier Smart Operating System to fast-forward its logistics, giving Del Monte Network Shipping access to the new era of logistics.

Network Shipping now has one place where the company connects with all its partners and has everything needed to get its fresh products across the sea, faster, cheaper, and in excellent conditions.

With this new system, the company can plan, operate, and manage its logistics:

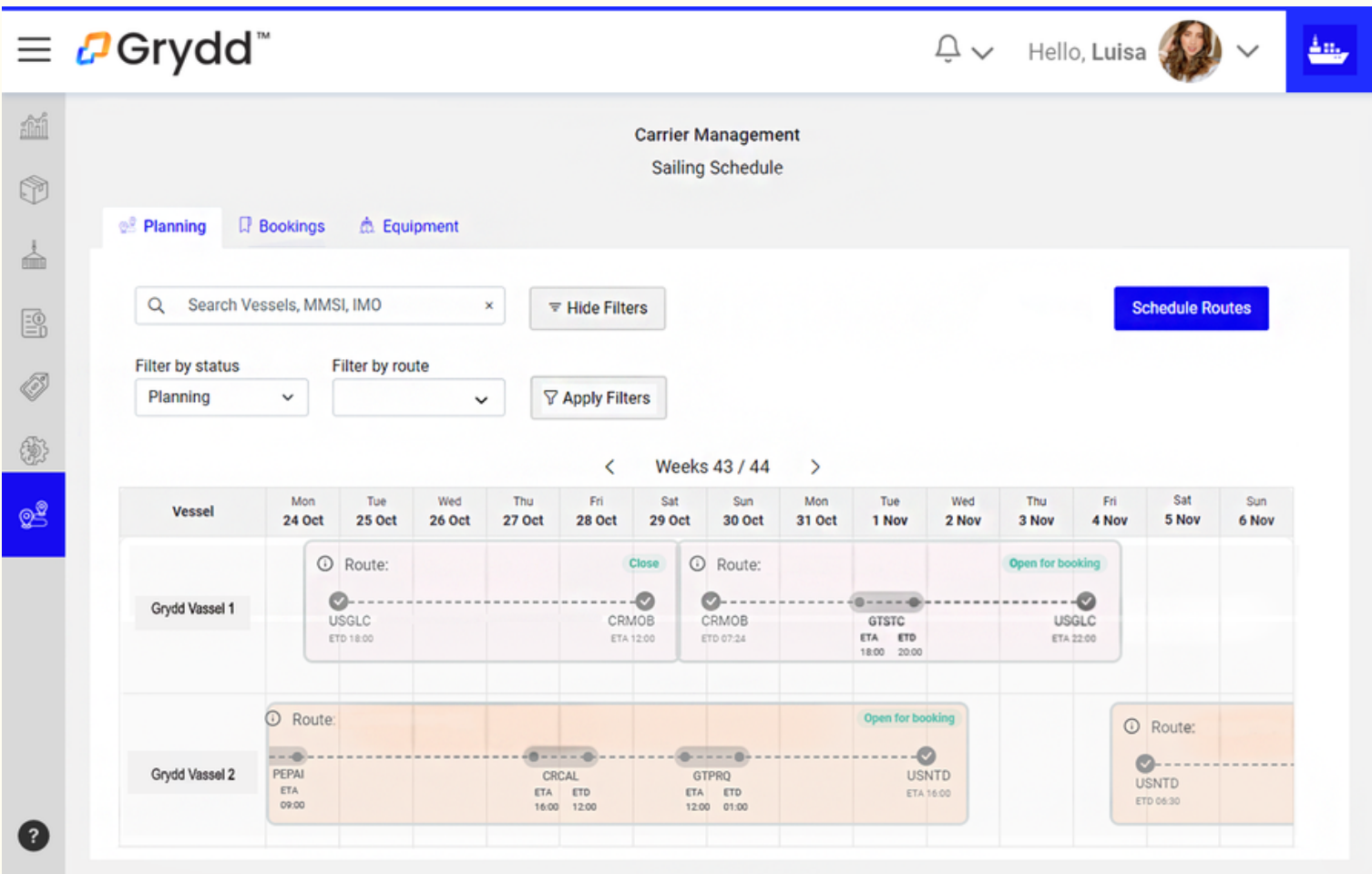
- PLAN: They can enhance their cash flow, balancing stocks with demand and selecting the best routes to ship their orders.
- OPERATE Sync teams to book shipments, ensure administrative compliance, and track orders in real-time.
- MANAGE: Manage their product inventory, and costs in easy-to-read dashboards to make better and faster decisions.

We integrated all stakeholders involved in their Ocean Carrier process into their platform to:

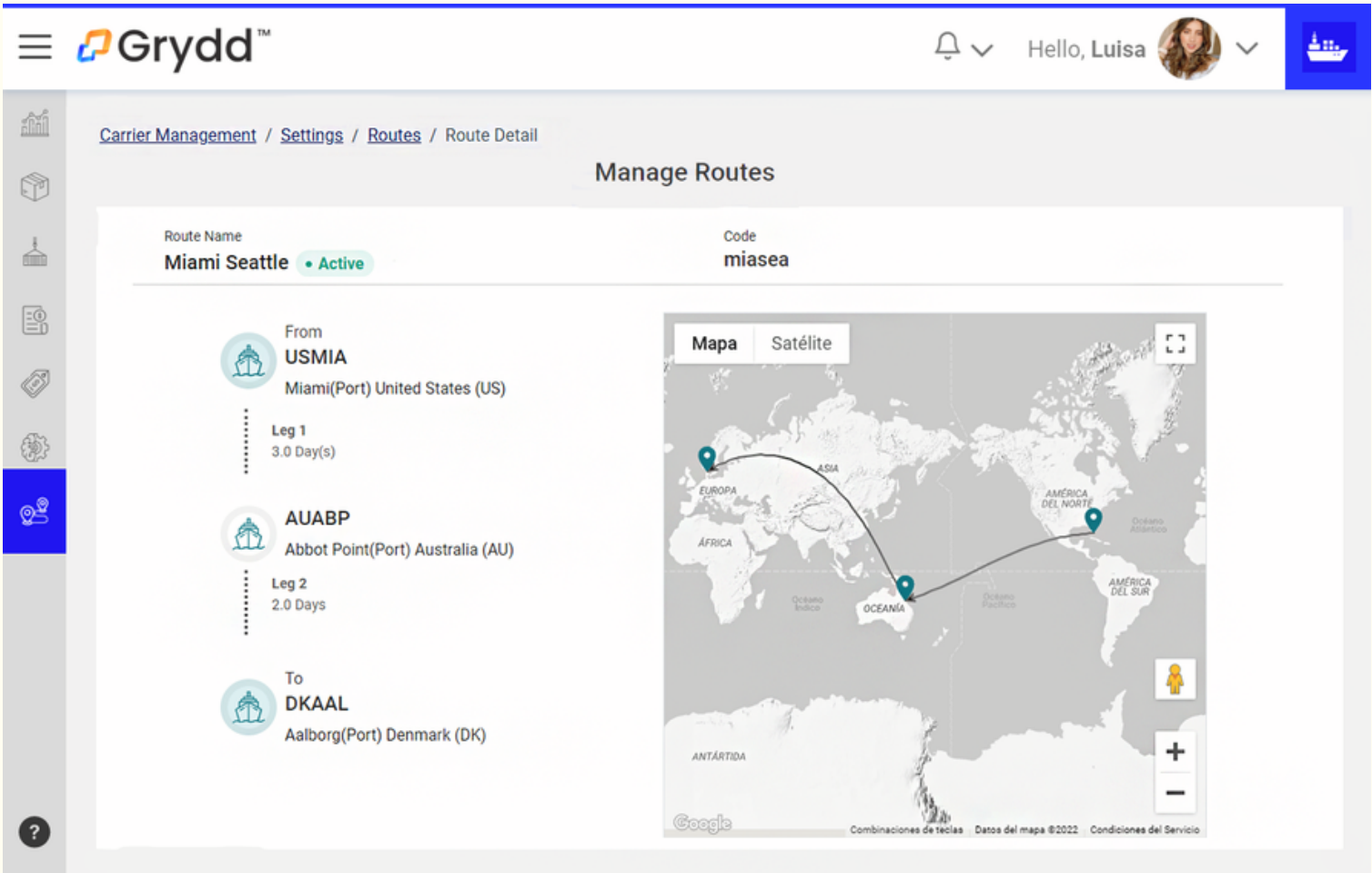
- 1.Make them have full traceability of their assets, products, and metrics to improve their business.
- 1.Foster an agile and effective interaction among their teams.

Here you can find what our modules look like.

Module to Plan the Road for your shipment



Module to track the status of your shipment.



THE OUTCOME

Del Monte Network Shippings knows its operating system will give it a competitive advantage and the basis to scale its business horizontally. The main features considered in this first stage were:

- Schedule for boats
- Inventory of Routes, Ships, and Containers
- Container EIR history
- Management of bookings by section of Voyage
- Alerts for bookings
- Team management (Location and status)
- Customized documentation requirements for clients
- Alerts for clients with incomplete documentation
- Customized pricing strategies
- Automated cost inclusion in pricing strategies
- Automatic quote process
- Contract proposals, approval, generation, and amendments.
- Pricing of multiple routes
- Business Intelligence
- Status for personalized voyages
- Personalized voyage numbers

NEXT STEPS

- Electronic Container Management
- Land Carrier OS (Trucking)
- Warehouses OS
- Port Management OS