



Advancing a Value Driven, Strategically Coupled Supply Network in the CPG Industry

Who is F4SS?

The Foundation for Strategic Sourcing is the ONLY organization focused on the CPG supply chain between customers (branded marketers) and their suppliers (contract manufacturers and secondary packagers).

The Foundation for Strategic Sourcing brings together leaders in the industry to establish the agenda for industry transformation focus on DRIVING COSTS OUT OF THE SYSTEM for all, resulting in a more effective supply chain.

F4SS Mission:

To establish a forum whereby CPG marketers, external manufacturers and secondary packagers can share best practices towards the creation of industry standards aimed at improving effectiveness and reducing supply chain costs.

What Issues Are We Facing?

Today, they CPG supply chain executives find themselves caught in increasingly complex tradeoffs surrounding cost, service, and organizational capability development.

Customers are more demanding, the environment is fiercely competitive, and there is continuing pressure to reduce costs while continuing to focus on profitably growing the business.

Benefits of Membership

REDUCED COSTS - Through collaboration and implementation of standard processes.

KNOWLEDGE - Learn from thought leaders in the industry.

RELEVANCE - Initiatives and conferences cover key industry issues.

NETWORKING - Access to key industry players.

INNOVATION - Gain new ideas for common industry challenges.

BENCHMARKING - Compare your organization to others in the industry.

SUPPLIER CAPABILITY DATABASE - If you are a customer - source capabilities you need, if you are a supplier - leverage an additional tool to reach your target customer base.

**TURN OVER TO SEE WHAT WE'VE ACCOMPLISHED
SINCE WE WERE INCORPORATED IN JUNE, 2007.**

INITIATIVE TEAM RESULTS

(presented in the order the teams have been chartered)

Customer Supplier Operations Planning (CSOP) – No Touch Replenishment Team

Deliverable: CSOP Process Handbook Completed 8/1/08
Estimated Industry Savings¹: \$2B + Customers, 1% of conversion costs
Suppliers, 6% of conversion revenue

List of companies endorsing:

Access Best Sweet Cadbury KIK General Mills Hershey J&J
Kenra KleenTest Marietta P&G Roskam SureFil Trillium Unilever

Now process mapping No Touch Replenishment process.

Quality Assurance (QAI) Team:

Deliverable: cGMP Harmonization 3 phased process – now in Phase I
Estimated Industry Savings²: \$6.4B Building the Business Case

List of companies participating:

Best Sweet Cadbury Crescent KIK General Mills J&J KleenTest LEK
Marietta Neways P&G Power Packaging Ryt Way Strive Group Unilever
Universal Packaging

Building Trust and Collaboration (TAC) Team (stemming from the Vision gap analysis)

Deliverable: TACK (Trust and Collaboration Kit) Available 3/1/09
Estimated Industry Savings: \$500M +

Supplier Capability Directory

Deliverable: Searchable website functionality by capability Now Available
Estimated Industry Savings: Anticipated benefit in both time savings and cost avoidance by being able to easily identify highly capable, qualified suppliers.

Scorecard Harmonization Team

Deliverable: Recommended 2-way Scorecard
Status: In progress. Focused in 3 areas: Service, Quality, Cost
Estimated Industry Savings: calculation in process

Capital Expenditure Team

Deliverable: Options to fund capability development, available 3/09.
Estimated Industry Savings: Facilitates industry capability development by providing creative capital funding options.

Sustainability Team

Recently Chartered – more info to be provided by the next conference

¹Based on result from CSOP process pilot extrapolated to the outsourcing market

²Conservative. Based on audit cost savings provided by GAHI (Global Audit Harmonization Initiative)