

Bounty Fresh Group

Project 'Everest' – Building for the Future

Bounty Agro Ventures Inc. is part of the Bounty Fresh Group of Companies, based in the Philippines, supplying chicken and other food products throughout the country. Their primary business trades under the name of 'Chooks-To-Go', providing freshly cooked chicken, directly to customers. Other divisions supply retail outlets with fresh and frozen chickens and other food products. They are privately owned, by the Chen Family, and are one of the largest vertically integrated food processing businesses in the Philippines.

ANALYSIS

The Analysis focused on Bounty Agro Ventures Inc. (BAVI), and studied Sales and Marketing effectiveness, and the Supply Chain, particularly in the context of the Management Control Systems (MCS), to identify opportunities for improvement in under-performing areas of the business. Renoir quantified these opportunities and committed to deliver them, operationally and financially in a 34 week Project.

PROJECT PROPOSAL

The Project Proposal was split between two main opportunities.

- Improve the MCS at all stages: better forecasting and planning, effective control, especially with leakage, and reporting of the key indicators at every level of management. BAVI management also wanted their new MCS to be a core competency of their improved performance levels.
- Develop a team of Merchandisers, Supervisors and Managers, who were able to use the new MCS to consistently deliver better products and service to all their customers.

These two focal points had to be integral at all levels, so effective auditing and followup was critical.

Bounty Fresh Foods Inc. (BFFI), another Bounty Group Company, was also included within the Project Proposal, despite not being included in the Analysis.

BFFI is BAVI's main supplier of chicken and other food products, part of the Group's vertically integrated supply chain. This required a dual Project approach.

PROJECT APPROACH

A fairly standard Renoir approach was used for BAVI at the outset, including the creation of a client Task Force team of five managers to work alongside the Renoir consultants, as well as engaging them in Renoir's trademarked Focus Process™. The process was tested, too, by the requirement of a country-wide roll out to all 170 outlets, beginning in week 18 of the Project.

The Team began their journey by gaining a better and deeper understanding of their MCS, identifying and quantifying the opportunities available, and laying these out in a Strategic Integration Map (SIM), that facilitated the development of a detailed Plan of Implementation that they could roll out in all Regions.

World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.

"As a result of Project "Everest", within three weeks of implementation, sales increases of 20% were attained at the pilot stores and within 29 weeks from inception the project had paid for itself.

Managers and Supervisors have increased their understanding of key business drivers and opportunities, have established new working practices and management controls and, as a result, have delivered beyond expected sales and profits."

Ronald R. Mascariñas
President and General Manager
Bounty Agro Ventures Inc.

Key Results

Implemented a new MCS and trained staff at 870 CTG outlets throughout the Philippines

Implemented a new MCS and trained staff at 170 supermarkets throughout the Philippines

Annual cost savings of over \$2 million (US)

A re-invigorated Company, focused on consistently providing premium quality products with excellent service

Project cost payback by week 29

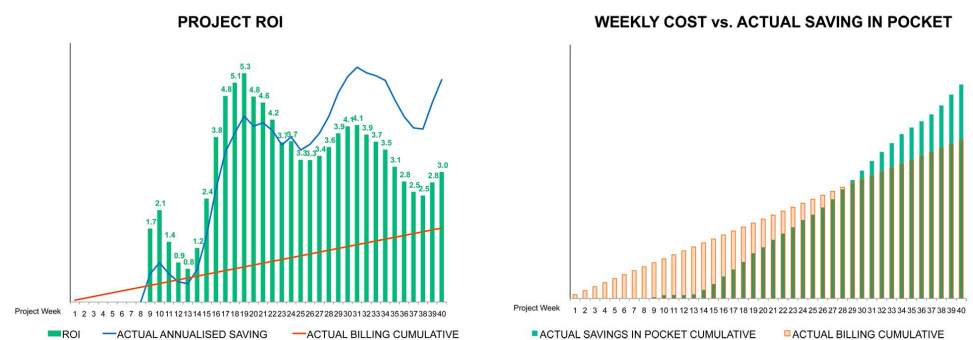
As BFFI is a separate Company, and without the benefit of an Analysis, the Bounty top team decided to use the Focus Process™ to focus on understanding the business opportunities. Three of their senior managers developed a SIM that highlighted the financial benefits of tackling four specific issues:

- The level of Leakage
- The percentage of Branded vs. Unbranded sales
- The Average Selling Price (ASP) for this product mix
- The merchandizing costs incurred from delivering improved product and service levels.

So, one Project ‘Everest’ using two different approaches to deliver benefits.

IMPLEMENTATION

Project progress for was reviewed monthly by the Steering Committee, chaired by Sir Ronald, and involving the Senior Departmental and Operational Executives. They examined the latest results through the MCS, and highlighted the opportunities to improve in the various Regions. Eventually, this Meeting developed into the Regional Manager’s Meeting, where these Executives would present their Region’s performance, and the actions required to achieve the financial and operational Targets.



THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

Visit Renoir at www.renoirgroup.com for more information and a complete list of regional contacts or send us an e-mail at: renoir.office@renoirgroup.com

BAVI: The new MCS for Chooks-To-Go (CTG), began improving the basics of the business, by providing a Planning Board for every CTG outlet. Hourly and daily performance was tracked which led to improved forecasting and stock control. From this level, the system fed into a comprehensive evaluation of current and historical performance. In addition, 15 Training Videos were produced along with 44 operating procedures, to ensure sustainability.

BFFI: In some cases, there were overlapping BAVI/BFFI supermarket accounts in area of the Philippines. For consistency, very similar MCS were developed to manage all Bounty products within each supermarket. To ensure success for both Bounty companies, effective audit processes, satisfying unique company requirements were developed and, despite their differences, they have the same focus on tracking performance, at the retail outlet level. The audits formed a key part of the Supervisor’s, Manager’s and Executive’s personal KPIs.

World Leaders in Sustainable Change

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.