

Reducing chargebacks while outperforming customer expectations at Ken's Foods



The number one benefit we're getting out of Elementum is accountability-- it is very clear who owns the next step in the resolution of customer issues caused by over, short or damaged orders.

CARI TALBOT

Senior Director of Supply Chain at Ken's Foods

RESULTS AT A GLANCE

200+

Incidents identified & resolved in 1 month

8-10X

improvement in average response time



Sales team freed up to close new business

SUMMARY

Ken's Foods started out as a restaurant in Framingham, Massachusetts called Ken's Steakhouse. When their salads and dressings became more famous than their steaks, they transitioned into a food manufacturer that has grown to a \$1B+ business. Today, they produce and package over 1,000 varieties of dressings and sauces across 4 plants near Boston, Chicago, Atlanta, and Las Vegas.

With market dynamics calling for more customization of products and an increasing number of third-parties involved in the delivery network for customer orders, Ken's Foods had to become extremely nimble to better serve their customers' needs. Despite internal measurements that delivery performance was at 99.1%, the supply chain team was constantly responding to calls and emails from the field. Each question or request for an update triggered a reactive fact-finding mission requiring even more calls and emails. Ken's Foods invested in Elementum to manage issues with customer orders more efficiently, collaborate better with their partners, and proactively recognize when shipments are at risk to minimize resulting chargebacks and penalties, and to analyze common root causes to permanently prevent future challenges. Deploying Elementum as a solution was such a success that they resolved over 200 logistics related incidents in the first month alone at a rate 8-10x faster than before, while freeing up their sales team to focus on closing new business.

BENEFITS WITH ELEMENTUM

- » Proactively manage customer order issues & increase C-SAT
- » Clear accountability across the organization
- » Faster resolution times & improved collaboration
- » Significant reduction in chargebacks and penalties from customers
- » Analytics to identify root causes & make permanent improvements

OVERVIEW

- Family-owned & operated food manufacturing company founded in 1958
- Headquartered in Marlborough, MA with ~2,000 employees
- Primary products include salad dressings, sauces, and marinades, often custom-made
- 4 plant locations across the USA
- \$1B+ in revenue across both Retail Grocery and Food Service lines of business

CHALLENGES

- Reactive response to customer order issues that took 2-3 days
- Limited visibility & difficulty collaborating across teams
- Inefficiencies with multiple people working on the same issue
- Struggling to quantify annual revenue impact due to lack of clear data

SOLUTION

- Clear accountability with a centralized incident management solution
- Proactive response to order issues with improved collaboration
- Analytics off a single source of truth to help identify and fix root causes
- No more mass emails asking for status updates or massive spreadsheets for tracking

Now we have the data piece to reflect back and say, 'How did we perform in this time frame? What are the root cause trends that we're seeing and how do we stop it from happening again?'

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PROACTIVELY MANAGE CUSTOMER ORDER ISSUES

Leveraging Elementum, Ken's Foods was able to gather more immediate data on every customer delivery at every stage. Using photographs to document the state of orders, they could respond proactively if a shipment was damaged or some units delayed, even before the customer could send a complaint. This information allowed Ken's to minimize the occurrence of chargebacks or penalties, and work more efficiently with their shipping partners. Ken's Foods was even able to raise their customer satisfaction ratings by anticipating customer needs before the customers knew them.

For our customers, the end goal is that you just have product there on time, in full. So we can't wait for a performance scorecard for last quarter. We want to have the data in real-time so we can stay ahead of it. And that's what Elementum brought to the table for us."

-Cari Talbot, Senior Director of Supply Chain

CLEAR ACCOUNTABILITY ACROSS THE ORGANIZATION

With Elementum as a single source of truth for all customer order issues, it became much easier for Ken's Foods to determine who should take the lead in making things right for the customer. Whereas much of the time used to be spent tracking down where a shipment went wrong, now they could pinpoint the point of failure without having to rely on people's memories of the last day, week, or month. Most importantly, they could take action to make the client happy and avoid the same mistakes in the future.

There's that saying 'when everybody's in charge, nobody's in charge'. Before Elementum, an email would go out to 20+ people and it would be unclear whose job it was to respond. Now it's so clear exactly who is responsible for what role and who is taking care of the issue, by when."

-Cari Talbot, Senior Director of Supply Chain

FASTER RESOLUTION & IMPROVED COLLABORATION

With these new streamlined processes in place, Ken's was able to reduce their average time to resolution from 2-3 days down to 2-4 hours. Before Elementum, multiple parties would end up working on the same issue — customer service, traffic, supply chain and sales would all try to

ensure the customer issue was being resolved, leading to inefficiencies and loss of productivity. Now, salespeople can keep an eye on any incidents with their customer, but worry less and focus more on closing new accounts. Meanwhile, customer service teams spend less time repeating the current status of issues across the company because anyone who wants or needs to have visibility can easily follow along through the centralized tracking system. More information and visibility made the entire company more effective, even those outside of the supply chain team.

I was working 50 hours a week and was never caught up or capturing everything we needed. Now I'm working 40 hours a week. We have more data than we've ever had. And when I go home, my desk is completely clean."

-Janice Hoffert, Food Service Customer Support

REDUCED CHARGEBACKS AND PENALTIES

Ultimately, Ken's Foods saw a tremendous change in both their culture and their bottom line. Thanks to the improved efficiencies and ability to identify trouble areas in their supply chain, Ken's Foods expects to save hundreds of thousands in chargebacks and penalty fees in the first year alone. All involved parties, from production to delivery, work together seamlessly to not just meet their customer demands but also maintain their reputation as a solid manufacturer and preferred partner. Ken's Foods was even able to identify a recurring chargeback that was in error, which they would have otherwise continued to pay if they weren't managing their shipping and delivery incidents within Elementum.

Don't spend your time fighting the fees and fighting the penalties from your customers. Spend your time just being a better supplier. And that's what Elementum allows us to do."

-Cari Talbot, Senior Director of Supply Chain