

WASTE NOT, WANT NOT
Strategies to reduce waste
for increased profitability



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Today's Speakers



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Agenda

- Why Food Waste Matters - Overview
- Food Waste Assessments / KPI's / Reporting
- Waste Reduction Strategy
- Creating Behavioral Change for Sustainability
- Kisko Products Case Study
- Resources
- Q & A



Why Food Waste Matters – Economically, Ecologically and Socially



25 - 40%

Food that is grown, processed and transported in the United States will never be consumed.



60 Mil.

Tons of food waste generated in the US in 2010, 2/3 of which went to landfills.

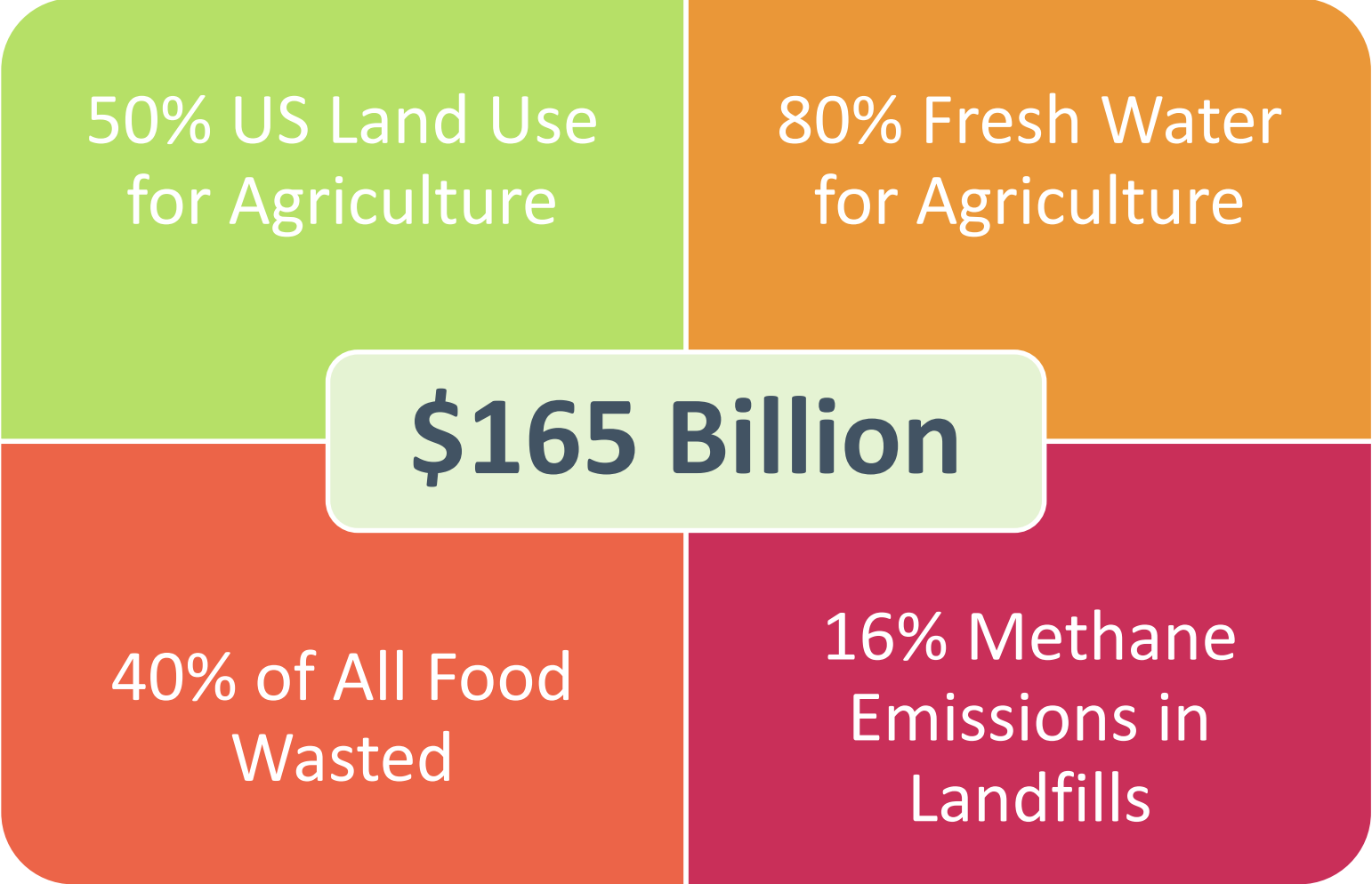


#1

Source of municipal solid waste in landfills

Why Food Waste Matters – Economically, Ecologically and Socially

Resources Dedicated to Food That Is Never Consumed (USA)



Source: US EPA



30 + manufacturing, retailing and foodservice companies, along with expert partners from the anti-hunger community and waste management sector.

GOALS

Reduce the amount of food waste generated

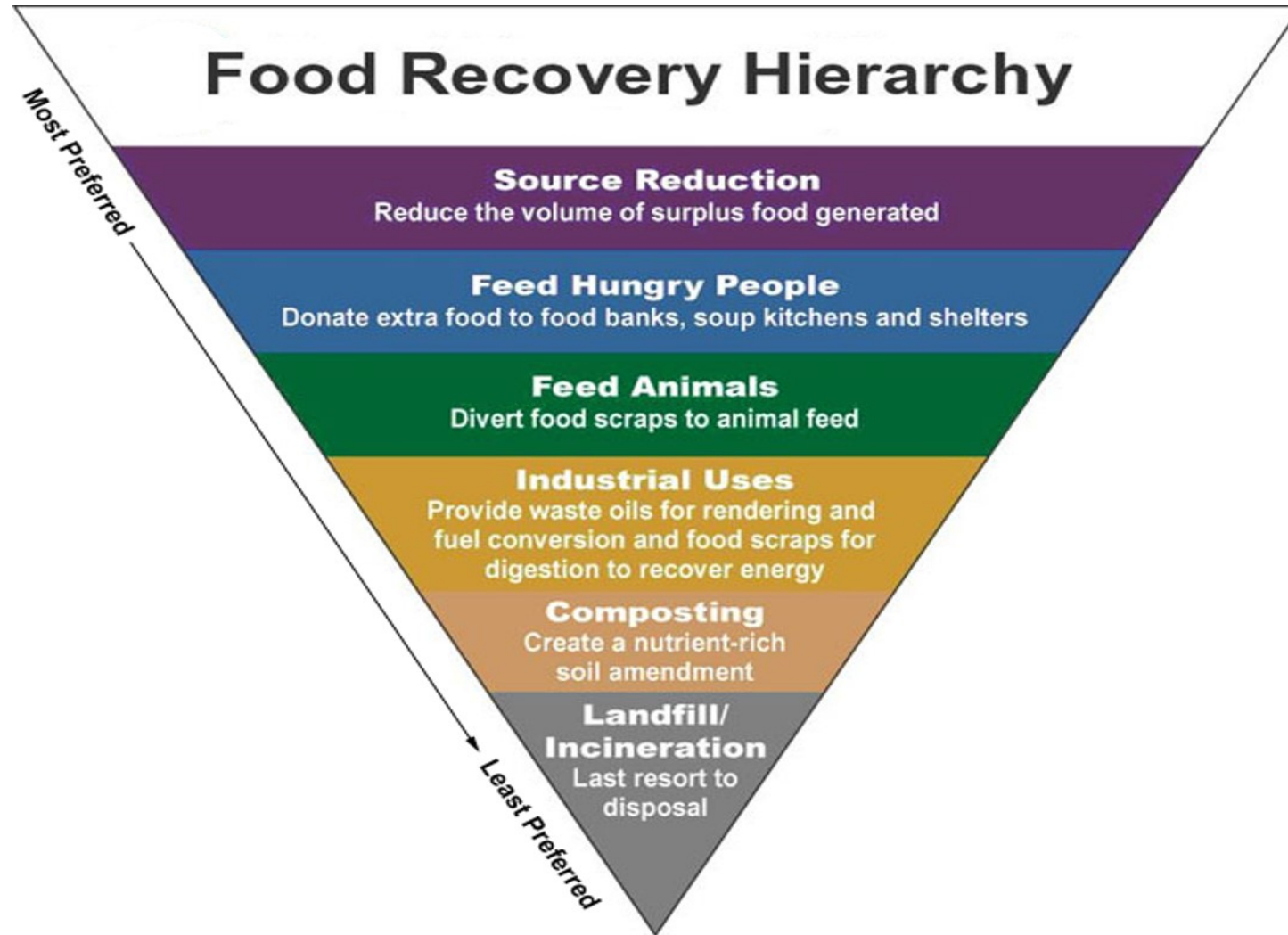


Increase the amount of safe, nutritious food donated to those in need



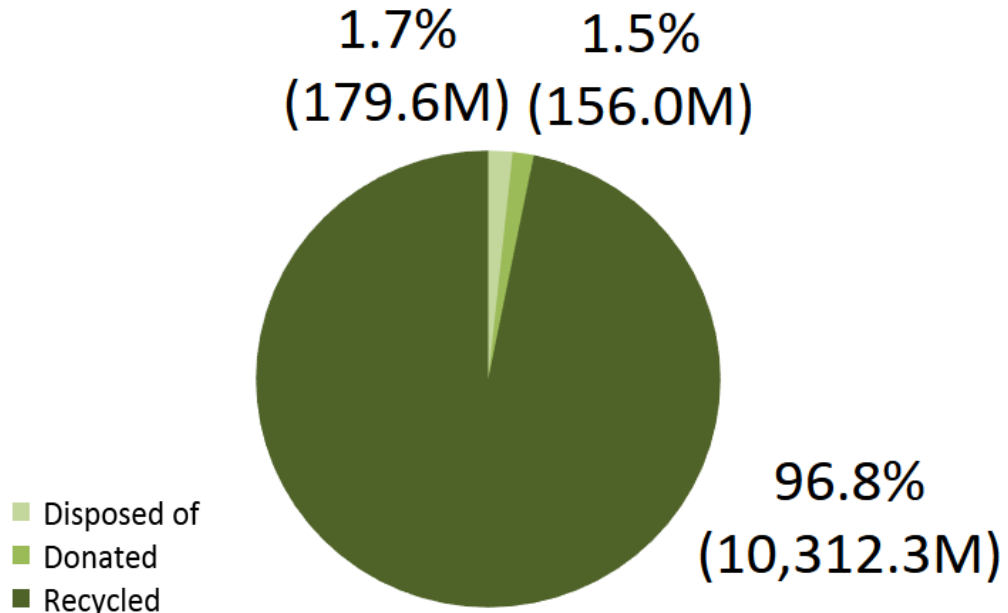
Recycle unavoidable food waste, diverting it from landfills

EPA's Food Recovery Hierarchy

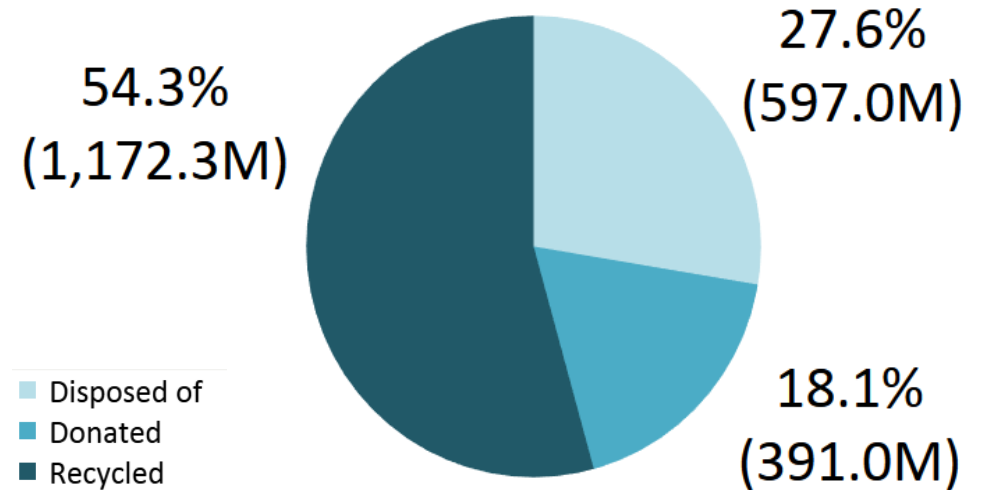


Destination of Food Waste

Manufacturing

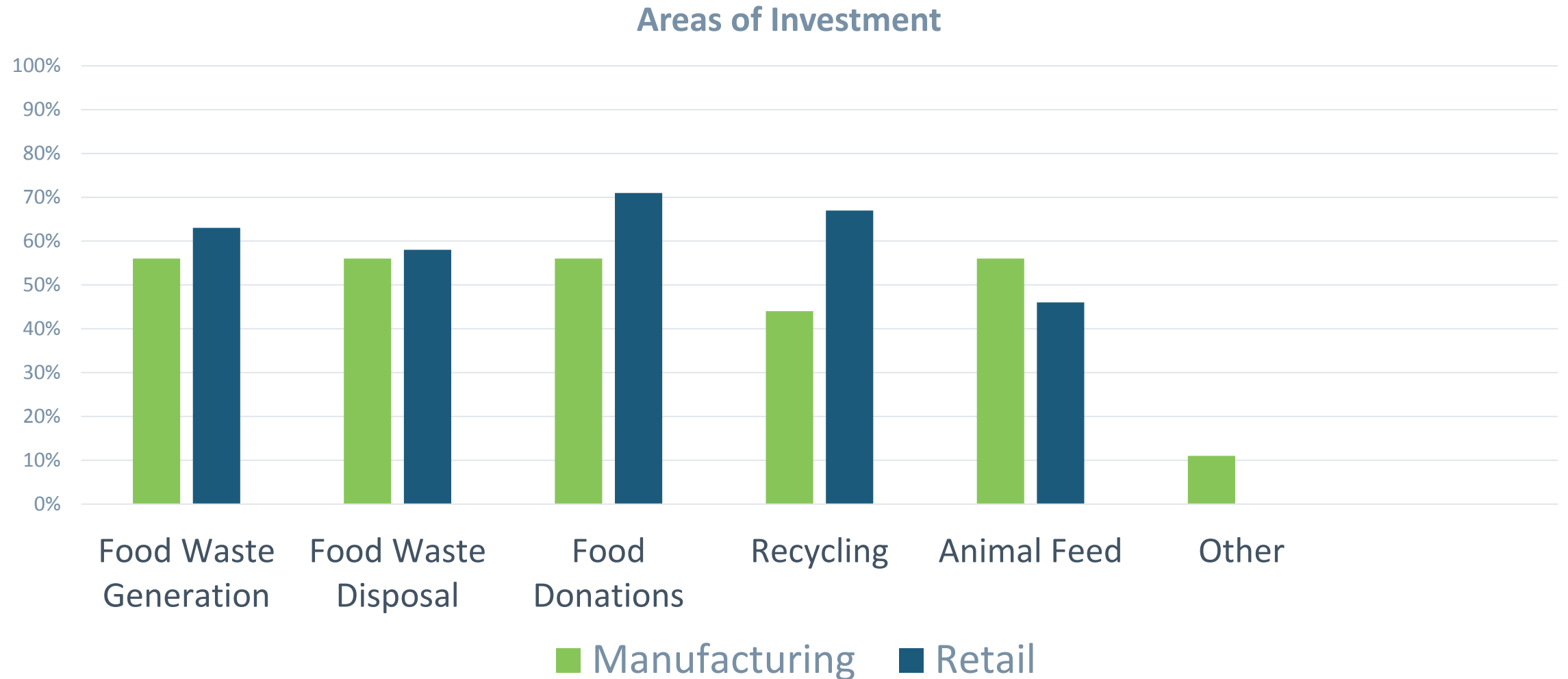


Retail



On average, the manufacturing sector diverted 300 pounds of food waste per thousand dollars of company revenue.

Areas of Investment



Manufacturing Barriers to Donation



Incentives:

Bill Emerson Good Samaritan Food Donation Act

- Protects donors from liability issues when contributing to a non-profit with the exception of gross negligence or intentional misconduct

Food Donation Tax Deduction

- Covers cost of carrying food
- Does **not** make you whole
- Document: fair market value, and cost of food production





POLL

In your operation, how much profit loss happens through food waste?

- 0% - 5%
- 5.1% - 10%
- More than 10%
- Unsure





of respondents were unable to provide data regarding the quantity of food waste their companies disposed

Key Takeaways:

- **MEASURE!**

- Need to strive to constantly improve tracking**

- Work with third party like Alchemy Systems to help
 - Implement internal tracking systems to collect and house all waste stream data in a central location

- **Reach Out to Partners in the Supply Chain**

- **Build Food Waste Reduction into the DNA of the Company**

- Dedicate teams internally to develop and ‘own’ tracking and measurement systems

How to Reduce Waste





POLL

How do you think your waste percentage compares to your peers?

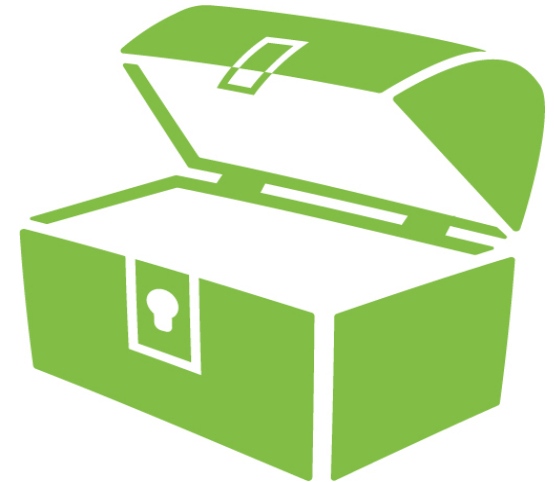
- Better
- Worse
- Unsure



How to Reduce Waste

- Evaluate current waste reporting system
- Determine needs for additional reporting
 - IE: Floor waste by packaging line by shift
- Assess KPI's for yield and waste reporting based on weight and dollar impact
 - Measure by line, shift, department, yield, variance, etc.
- Set goals for continuous improvement
- Implement revised goals and reporting systems

You
Treasure



What You
Measure!

Food Waste Sources



Product / Processes
Non conforming product,
Incorrect batch size,
Rework, Variance



Equipment Design
Equipment Spillage,
Material Handling,
Product Transfer



Personnel
Employee Handling,
Product Grading,
Training

Food Waste Assessments

- Complete formal assessment for waste reduction / yield improvement projects
- Use a team approach with representatives from operations, QA and maintenance
- Analyze each step in the process using HACCP/food safety plan flow charts to evaluate sources of waste
- Use failure mode effect analysis (FMEA) or general risk assessment methodology
- Document the assessment results by process step with analysis of each root cause (product/process, personnel and equipment) with ratings assigned for severity, likelihood and detectability
- Process identifies key steps to focus on for improvements

Waste Reduction Strategy

- Product specifications and conformance
- Frontline workforce engagement
- Equipment optimization
- Food waste reduction process management by team
- Effective waste and yield management reporting
- Demonstrate ROI savings for yield optimization and cost reductions from decreased waste





POLL

Do you train your frontline on how to reduce waste?

- Yes
- No



Frontline Employee Impact On Food Waste

Team Management

- Solicit ideas for improvement
- Participation in waste reduction teams

Training and Education

- Ensure employees understand their impact on waste and reduction
- Educate why reduction is necessary for company and the environment

Engagement

- Engage employees and allow them to share
- Communicate results and improvements

Empowerment

- Allow employees to manage the process
- Integrate with safety, quality and productivity goals



Creating Behavioral Change For Sustainability

- Senior management defines this vision and mission
- Create awareness around the food waste issue
- Identify learning plans to educate employees
- Deliver engaging training to involve management and employees
- Incorporate waste reduction into key kpi's to measure and incentivize
- Document profitability contributions driven by success
- Drive continuous improvement



Case Study: Waste Reduction at Kisko Products

Challenge

- Production inefficiencies

Solution

- Standardized training
- Monitoring of employee proficiency
- Employee driven SOP changes
 - Open forum for discussion
 - “Employee owned” initiatives

Result

- 20% increase in production efficiency
- \$500,000 annual waste savings



Resources



Resource: A Comprehensive Solution to Optimize Your Workforce

MORE THAN
2 million
food industry workers

IN OVER
20,000
locations worldwide



**Operational
Improvement**



**Food
Safety**



**Workplace
Safety**



**Human
Resources**

Resource: A Comprehensive Solution to Optimize Your Workforce



Alchemy is the only comprehensive solution with fully integrated **Learning**, **Communications**, and **Performance** programs.



Resource: Alchemy Professional Services



Training

- Awareness Training
- Learning Plan Development
- Job Task Analysis



Assessments

- Waste Reduction Assessments
- Team Facilitation



Strategy

- Waste Reduction Strategy Development and Implementation
- Waste Reporting and KPI Analysis



Sustainability

- Follow up and Continuous Improvement
- ISO 14001 Gap Analysis, Program Development and Implementation

Q&A



THANK YOU

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