



**CMS Consulting/Retail Performance Management**  
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# CMS Supply Chain Share Group Newsletter



## 2020-2021 – A Time of Success, Challenge, Change & Opportunity

### Special points of interest:

- Key Topics from the Spring 2021 Share Groups
- Fall 2021 Share Group sessions and benefits of attending
- New Website Coming Soon!
- Member Feedback
- Are you taking advantage of our e-surveys?

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Companies are emerging from the year of the “**Big COVID Supply Chain Pivot**” where our Members’ successfully met America’s Consumer needs during the pandemic. Member companies ramped up production and supply to meet **12% sales growth** (*McKinsey Research*) as consumers hunkered down to eat more **meals at home**. Other members responded successfully to new COVID demands for expanded **hygiene and medical supplies**. This growth trend continued through the first quarter of this year.

The “**Stop, Start, Change**” operating challenges from last year have not gone away – the needs have just changed. Witness the recent “Delta” and “Breakout” spikes, primarily among the unvaccinated in certain geographies. Two overriding considerations are the **sales growth opportunity and costs of change challenge**. Emergence will bring back some of the old, embrace some of the new, and spawn hybrid approaches. These will come from responding to new trends during the past year, as well as real time changes and needs as they occur going forward.

We gathered perspectives, insights, challenges, solutions,

metrics and benchmarks from **Supply Chain Leadership among the 60+ companies** that participated in the “**Let’s Talk – Live**” Share Group sessions this past Spring. Below are the **challenges and solutions** for the **9 “key topics”** from our Spring Sessions along with **considerations** looking ahead to this Fall’s Zoom Sessions starting in September.

### 1. OTIF/OTD Fines and Fees:

“**They’re Back!**” After playing relatively nice and trying to work collaboratively to meet shoppers needs during COVID, customer fines are back and they have increased! **Walmart** has returned to an expected **98% OTD Target**, although the majority of our member companies have indicated that they are not currently able to achieve this metric (*CMS e-survey*). Our members have also identified more than a **dozen other retail customers** that have implemented “OTIF Like” programs.

Member companies have **rallied around addressing these metrics** through customer collaboration meetings, improved forecasting (CPFR, VMI), “trackable” transportation solu-

tions (dedicated carriers, pre-set appointments, CPU, closer to customer warehouses, etc.), as well as organization adjustments to manage the service requirements and monitor the fines at the back end.

**Looking ahead to Fall: What will performance be vs. Walmart’s 98%? How will the other retail customer programs evolve? What initiatives and organization adjustments are members implementing to achieve OTD/OTIF success?**

### 2. Amazon:

“**And the Winner is...**” Competition for **Omni Channel is Growing!** Certainly, **Amazon was well positioned** in 2020 to take advantage of consumers instantaneous tsunami of demand for home delivery spurred on by COVID. More than 80% of our member companies reported an increase in Amazon sales in 2020 with similar expectations for 2021. Meanwhile **other customers**, including Walmart, Target, Kroger and other regional chains **ramped up home delivery** with improved cost/value, delivery time and shopper value. These retailers also **promoted store pickup**, providing a competitive

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advantage vs. Amazon, though Amazon has broadened its capabilities by acquiring Whole Foods. The past year has expanded the “Omni Channel” footprint and the Omni Channel race escalated!

While **Amazon** continues to be of **strategic importance** to members, Amazon continues to be viewed as a **significant partner collaboration challenge**, particularly when viewing from a per dollar sold against resource and cost investment perspective. Our Share Group members report that Amazon is constantly changing the “rules” for their programs while continuing to provide limited to no support to allow manufacturers to succeed. On the manufacturer side, fully 60% of members have dedicated resources focused on Amazon to try to achieve success with this strategic customer.

**Looking ahead to Fall:** How do we align service with the major players in the Omni Channel Race? What new approaches is Amazon taking in its home delivery and Whole Foods/Retail businesses? Have members found ways to succeed with Amazon programs?

### 3. Return to Office:

**“It’s Happening!...Maybe?”**  
After nearly 16 months of proving that we can work from home (WFH) virtually, and in some cases, more productively, **75% of member companies** planned some version of a **return to office around Labor Day**. Reportedly, most companies plan to **alternate groups** going into the office as they transition away from WFH. Many members are also instituting **flex work plans**, with WFH

continuing 1-2 days per week. Companies are wrestling with new policies that take advantage of virtual communication and team building (more frequent meetings, fun events, consistent communication and interactions) as well as addressing the **advantages that most enjoyed with WFH** (no commute, flexibility, ability to care for family members/home school children).

**Looking ahead to Fall:** How will the Return to Office be impacted by the recent spike and “Breakout” cases of the Delta Variant vs. the pressure for vaccination and mandates?

### 4. Automation:

**“An Emerging Explosion!”**  
Member companies are **investing in Automation** for both specific functions and “end to end” operations to enhance their supply chain performance and labor productivity. Whether it is warehouse automation to speed and manage the process, EBOL to improve check-in, RPA initiatives to accelerate Order to Cash, outsourcing EDI or fostering investment by 3PLs, member companies are keenly focused in this area. Members have **extensive experiences** in this area and using a **broad range of providers** for automation.

**Looking ahead to Fall:** What automation initiatives are achieving success? Which suppliers are members using?

### 5. Data Management:

**“We want Actionable Data!”**  
Along with Automation comes the need to **capture, use and manage actionable data**. The focus takes several forms. Management now relies on **Score-**

**cards and Control Towers**. Users are looking to get more actionable data so they can be more responsive, productive and provide value-added service to customers. Member companies are hiring **Data Scientists** to manage their data and provide it the way they need it. They are also looking to outside **suppliers** like High Radius, PowerBI, Clik, Magenta Technology and SpotFire to partner in these solutions.

**Looking ahead to Fall:** How is this evolving? Where are companies having success? What is the implementation learning?

### 6. Carrier Availability/ Capacity:

**“It’s a dynamic marketplace!”**  
Our Transportation Share Group **conducts an on-going tracking** of On-Time trends for FTL and LTL loads as well as Tender Acceptance, Route Guide Compliance, % to Spot Market and % of paid premium volume. Trends from this **tracking suggest how dynamic the transportation market is**. To meet on-going capacity and availability constraints, members are taking **actions to reduce uncertainty and manage cost fluctuations**. Actions include pre-set appointments, earlier carrier notification, increased utilization of the spot market, tracking and rewarding carrier performance, transfer to CPU and intermodal, pre-loading trailers, incenting drivers, and more! Many are also **focusing on improving Tender Acceptance** by addressing route cause issues.

**Looking ahead to Fall:** How will the market change? Will these solutions continue to grow, or are there new challenges and solutions in the offing?

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It's clearly a time of rapid change and opportunity where companies need to continue adapting to changes in order to succeed.

## 7. Warehouse Employment

### “The Battle for Workers!”

When you add government COVID support to Amazon’s and other delivery companies aggressive continuous hiring of workers at attractive wages, our members continue to face **growing employee turnover and salary escalation**. These employment issues affect both company owned warehouses as well as their network of 3PLs. Amazon is often viewed as the cause of this workplace shortage because of their growing need to supply home delivery, but it goes far beyond that!

**Looking ahead to Fall: What solutions are working: higher wages, retention bonuses, increased automation or others?**

## 8. Pallets:

### “Got wood?”

The majority of members reported **pallet shortages** this Spring from Pool/Rental Programs, most specifically CHEP. Member **mitigation approaches** include:

1. Shipping alternative pallets where possible - White Wood, PECO, etc.

2. Using alternative pallets for intra-company transfers – slip sheets, etc. and
3. Forecasting, Planning, Prioritizing and Communicating with Retail Customers. Meanwhile, all members are trying to comply with **Costco’s Pallet Program**, but few currently report having success.

**Looking ahead to Fall: Has the pallet shortage gotten worse or better? What efforts to address the shortage have been most successful?**

## 9. Business Travel:

“You are now **“almost” free to move about the country!**” During the Spring Share Group Meetings, many companies indicated they were starting to allow travel with a gradual transition – 30% allow it, **60% allow it with approval** (primarily to meet customers’ requests on key initiatives), 5% still did not allow it, while the remaining 5% were still uncertain.

**Looking ahead to Fall: How will these %’s change? What is the projection for 1<sup>st</sup> Half 2022?**

## What does this all mean?

It’s clearly a time of rapid change and opportunity where companies need to continue **adapting to changes** in order to succeed. **You play a key role** in guiding your company to short and long-term success.

How can you take advantage of sales growth, changing needs and emerging technology (digital and automation) to make the right decisions? **Be prepared** by attending our **Share Groups**, which allow you to **share and gain perspectives, identify successes, and learn about new ways that you can manage your business to achieve success!** Our **Share Groups** also provide you with an opportunity to network with your peers where most other networking events have been curtailed. Our Fall sessions begin in **September**. Take advantage of this opportunity to **participate in one, or more, of our Share Groups**. All Fall sessions will be held via Zoom in our **“Let’s Talk – Live” Radio Talk Show** format so you can join in the fun and make connections with your peers from the comfort of your “office” – wherever that might be.

## Under Construction...www.LetsTalkLive.net

We are excited to announce that we will be bringing you **LetsTalkLive.net!** Our **“Let’s Talk—Live”** website is currently under construction and is expected to be completed in the upcoming months. Our new “LTL”

website will be your source for Meeting Notes, E-Survey’s, Member Rosters, Meeting Information and more!

More information about our website will follow in the upcoming months.



# Fall 2021 Meeting Plans and Sessions



Plans are underway for our CMS **“Let’s Talk-Live” 2021 Fall Share Group Sessions**. **Invitations** have gone out, **Topics** are being submitted, and **Pre-Meeting Surveys** are being developed. The pre-work that you, our members, put into the meetings helps to make these Share Groups successful!

This includes **sending** your **Topics** and **responding** to the **Pre-Meeting Surveys**. These

help us to create robust agendas and ensure that you are **optimizing your Share Group** sessions.

Your contributions, inquiries and commitment have helped us to serve you better via:

- Increasingly valuable Benchmarks and Insights
- Comprehensive Notes capturing the essence of the meeting discussions and details
- Timely & more efficient meetings and turnaround of Meeting Notes

- Enhanced Network & exposure to peer experiences due to the growing Member base
- More frequent E-Surveys for securing quick learnings and more consistent group engagement.

Watch your email for the Topics and Pre-Meeting Survey requests, which you will begin receiving approximately 6 weeks prior to your Share Group Session.

Meeting	Session 1				Session 2				Session 3			
	Date	Day	Start Time EST	End Time EST	Date	Day	Start Time EST	End Time EST	Date	Day	Start Time EST	End Time EST
Customer Supply Chain	9/14	TUE	3:00	5:00	9/15	WED	10:30	12:30	9/15	WED	3:00	5:00
Customer Logistics	9/21	TUE	3:00	5:00	9/22	WED	10:30	12:30	9/22	WED	3:00	5:00
Customer Service	10/6	WED	3:00	5:00	10/7	THU	10:30	12:30	10/7	THU	3:00	5:00
Warehouse	10/12	TUE	3:00	5:00	10/13	WED	10:30	12:30	10/13	WED	3:00	5:00
Digital Supply Chain	10/14	THU	11:00	1:00	10/14	THU	3:00	5:00	10/15	FRI	11:00	1:00
Transportation	11/16	TUE	3:00	5:00	11/17	WED	10:30	12:30	11/17	WED	3:00	5:00

## Benefits of Attending the CMS Share Group Sessions

Everyone knows that attending the Share Group sessions is an important part of your Share Group membership and you walk away with valuable feedback, insights and benchmarks. **What are some other benefits of attending the sessions?** We have a few examples of what our members have shared with us:

- Personal Development
- Participation as a criteria for Personnel Evaluations
- Exposure to Industry Peers & Leadership
- Rotational Training & Learning
- As a foundation for Internal Cross-Functional Meetings
- Corporate sharing/distribution of Lessons Learned
- Networking Opportunities
- Securing Insights & First-hand Experiences about available Resources & Systems
- And, much, more!

Our **“Let’s Talk-Live” Talk Radio** format provides a great opportunity for others within your company, or friends in the industry, to join in the fun of our Share Groups. **If there is someone that you would like us to invite to a session, please let us know and we will reach out to them.**



## Here is what our Members are Saying...

- “I truly enjoyed the sessions. The topics were great and I learned so much from the discussions. Such a great group of Supply Chain leaders from some highly respected CPG companies. [We] have already been sharing some of the benchmarks with Sr. Management. These benchmarks and discussions will help provide us with support and justification for some of the initiatives we are pursuing.”
- “The Share Group was Fantastic, Engaging, & Informative. Walked away smarter & charged up.”
- As much as I miss the in-person gatherings I think this virtual format is very effective. Attendance is certainly much higher and with higher attendance comes more participation. More voices heard creates a lot of information.
- “It is great to see how the business evolved over the years - the “Lets Talk” format is great and you really make sure to engage the audience.”

**We would love to hear from you!  
Click on the icon below to send us  
your feedback!**



## E-Surveys

*Are you taking advantage of all of your Share Group member benefits aside from attending the Spring and Fall sessions?*

As part of your membership, we can get you the information you need—when you need it—via an [E-Survey!](#) We have conducted E-surveys on numerous topics of interest including:

- |                               |                                       |                              |
|-------------------------------|---------------------------------------|------------------------------|
| • Packaging Cost Increases    | • Weekend Support                     | • Bid Management             |
| • 3PL Management & Automation | • Inventory Control Positions         | • Carrier Scorecards         |
| • Lead Times                  | • Walmart’s OTD Targets               | • OTIF                       |
| • Annual Minimums             | • Penalty Fees                        | • Organization Structure     |
| • GDSN                        | • Fill Rates                          | • Shifts in CPU vs PPD       |
| • Amazon We Pay Program       | • CPU Programs                        | • Training Programs          |
| • Shelf-Life Minimum Policies | • Transportation Organization Metrics | • SKU Prioritization         |
| • Customer Service Metrics    | • Appointment Scheduling              | • EDI 214 Expectations       |
| • Efficiency Programs         | • Customer Set Up & EDI               | • Carrier Incentive Programs |
| • Deduction Metrics           | • Systems & Automation                | • And more!                  |

We maintain a library with all e-survey results that we can draw from to assist with your questions or we can create an e-survey to meet your specific needs.

**Would you like us to create an E-survey for you?** Just follow the below [E-Survey Guidelines & Expectations:](#)

- Don’t send emails out to the entire group—send them to your CMS contact
- Is an e-survey the best way to get an answer (versus asking in a meeting)?
- Short/limited number of questions (target 3 to 4)
- Closed ended questions whenever possible
- Clearly written questions (to limit potential for misinterpretation)
- Will the questions yield actionable answers?
- Questions should be applicable to the majority of your Share Group
- Timing considerations—generally a two-week turnaround
- No price, promotion, terms or policy questions\*
- Avoid anything that could be interpreted as crossing the lines of anti-trust\*\*



\*ANTI-TRUST STATEMENT: CMS Share Group’s Anti-Trust Approach precludes discussion of Price, Promotion, Terms and Policies as they relate to specific customers and the marketplace. Members and participants are expected to abide by these guidelines during any Share Group related activities. Please consult legal counsel if you have any questions or concerns.

\*\*All e-surveys are reviewed in advance by our legal team, Kotchen & Low, to ensure compliance.



CMS Consulting provides **meeting management, facilitation** and **guest speaker arrangements**. In addition, we conduct timely **email survey** recapping for members on **key topics** of interest.



*CMS Consulting has worked with CPG Executives since 1992*



### NEW!

We have extended our services to facilitate your meetings via our **“Let’s Talk – Live”** format. This is perfect for brainstorming sessions or collaborative meetings across multiple internal functions. Keep us in mind should the opportunity arise!

## Share Group Overview

We offer the following Share Groups and a network of over 100 participating companies:

- Category Management
- **Customer Logistics\***
- **Customer Service\***
- **Customer Supply Chain Services\***
- **Digital Supply Chain\***
- **Medical Devices Supply Chain\***
- **Medical Devices Customer Service\***
- **Transportation\***
- **Warehouse\***
- Broker Management
- C-Store
- Dollar/Club
- Drug Channel
- eCommerce
- Retail Management
- Revenue Growth Management
- Sales Finance
- Sales Leadership
- Sales Operations/Planning
- Sales Training
- Shopper Digital Marketing
- Trade Marketing Optimization
- Vice President, Sales
- Walmart Business

### \*Supply Chain Groups

In our **25 years** of Share Group management, our members have told us that this simple formula adds value to our sessions:

- Group-directed agendas
- Open discuss forum
- Voluntary member presentations
- Meeting Notes
- E-Surveys



To join a group, please contact:

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