

Clean Streets Prague's
famous Charles Bridge

A New Approach To Tackling Waste

LATE LAST YEAR, ECR COMMUNITY HOSTED A WORKSHOP IN PRAGUE, WHICH FOCUSED ON NEW INNOVATIONS THAT ARE HELPING TO REDUCE WASTE THROUGH COLLABORATION. ESM REPORTS.

The year 2018 is likely to see new advancements in tackling food waste along the supply chain, with greater collaboration between all participants leading to significant achievements in this area. That's according to the ECR Community Shrinkage and On-Shelf Availability Group, which hosted the 'Sell More, Waste Less' workshop at Prague's University of Economics (VŠE) at the end of last year.

The event welcomed more than 60 delegates, including retailers' buying, supply-chain and waste-prevention experts, as well as producers and academics. *ESM* was a media partner for the event.

One of the main discussion points was a new collaboration model, the Food Waste Collaboration Maturity Model, developed through a partnership between the ECR Community Shrinkage and On-Shelf Availability Group, Oliver Wyman management consultants, and Kühne Logistics University (KLU), in Hamburg.

The model encourages the advancement of collaboration capabilities, as well as the introduction of greater cross-company supply-chain visibility, including the sharing of transactional data and sales forecasts. The aim is for the model to become a de-facto user manual on industry guidance for joint food-waste collaboration.

"Where retail industry partners struggled over the years to build effective collaboration with the aim [of reducing] losses and, more [specifically], food waste, the tool will be a pragmatic game-changer to better connect retailers and manufacturers and align their competencies and objectives," said John Fonteijn, global asset-protection leader of Ahold Delhaize and the ECR

Community Shrinkage and On-Shelf Availability Group's chair.

Understanding Collaborative Maturity

Following the opening presentation from Oliver Wyman's Jens Torchalla, on fresh produce as "the most effective lever to differentiate" within retail, Dustin Wisotzky (also Oliver Wyman) and KLU's Suyash Shrivastava formally introduced the collaborative maturity model.

The presenters highlighted how previous collaborative ventures have helped to "drive quantum leaps" in food-waste reduction, including a 25% reduction in fresh-convenience waste and a 20% reduction in cheese/dairy-product waste, and explored ways in which improvements on these figures are achievable.

As the speakers revealed, the new collaborative maturity model enables actors within the food-retail sphere to assess their sweet spots when it comes to food-waste collaboration, as well as their Achilles heels.

As well as serving as a pragmatic tool for assessing the current state of food-waste collaboration, the model supports the identifi-

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Dustin Wisotzky
Oliver Wyman

THIRSTY WORK

Attendees had the opportunity to sample an exclusive 'bread beer', developed in the microbrewery of the University of South Bohemia in České Budějovice, which encapsulated the event's food-waste theme and kept those present well refreshed.

To produce the beer, the university collected waste bread from Czech retailers including Makro, Tesco and Albert, dried and milled it into a mash suitable for brewing, and developed a beer that is more economical (costing €0.40 per half-litre to produce, compared to €0.50 for a typical beer) and uses less malt. In terms of tackling food waste, we can't think of a more delicious prospect.



Discussion Topics Snapshots from the workshop in Prague

WASTE WARRIORS



ECR members across Europe have been proactive in developing novel, country-specific solutions to deal with food waste, including the following.

Greece: Love Food Programme (AB Vassilopoulos)

AB Vassilopoulos is the first company in the Greek retail sector to implement an integrated food-donation programme: 'Trofima Agapis' ('Love Food'). The retailer donates food that is absolutely safe and healthy but non-marketable because it is close to expiration or in damaged packaging. The company commenced its work with the Greek Food Bank, which has supported 198 NGOs and over 23,000 beneficiaries since 1995.

Poland: Stop Food Waste Programme (Carrefour)

Via the 'Stop Food Waste' programme,

Carrefour encourages its customers to shop responsibly and adopt eco-friendly behaviours in key locations in the stores, self-described as a 'customer path' initiative. The company's goal is to reduce food waste by 50% by 2025. In addition, the retailer operates the 'Challenge for Suppliers' campaign, which encourages suppliers to present solutions aimed at reducing food waste. The winner of the competition will be awarded a monthly promotional campaign for its products in the Carrefour network.

Central Europe: Food Waste Data (Tesco)

Tesco, which operates stores in Poland, the Czech Republic, Hungary and Slovakia, has become the first CEE retailer to publish food-waste data across its operations, as part of the wider Tesco Group's responsibility strategy. A spokesperson for the retailer said, "Without measurement, it is impossible to set targets and take action to reduce the amount

of food going to waste. Publishing our data also allows us to measure progress against our goals, and to identify areas for future improvement." In addition, the retailer has donated over 12,000 tonnes of food – the equivalent of 29+ million meals – to people in need across Central Europe.

France: Phenix

Phenix, a start-up launched in 2014 by Jean Moreau and Baptiste Corval, uses the concept of the circular economy by channelling surplus food into resources for other actors in the wider food chain. In other words, waste surplus from retailers and suppliers is turned into value through the use of an innovative app and B2B services. Every day, Phenix facilitates the recovery of 50 tonnes of non-food and food products and redirects 80,000 distributed meals and 3,000 kilos of material through its network of 500+ partner charities.

of areas in which improvement can be achieved. It is useful in terms of self-assessment, as well as alignment with current or prospective collaborative partners. It is, in other words, a valuable starting point from which collaborative agreements can prosper.

"Reducing food waste is an important responsibility retailers face – not only to increase their profitability, but also to

improve their sustainability footprint," Wisotzky explained.

"One of the most effective ways to reduce food waste is closer collaboration between suppliers and retailers in terms of joint planning and forecasting, alignment of production cycles, and innovations – just to mention a few examples. Due to commercial and legal restrictions, such collaborations are not easy to set up, and a lot of trust and

goodwill is required.

"We hope that this new framework will support and ease future collaborative efforts and lead to reduced shrink and better relationships between suppliers and retailers," added Wisotzky.

For each aspect of the collaboration, the level of maturity is assessed on a scale from rudimentary (0) to world class (4), enabling participants to assess the areas in



Consumer Focus Shoppers need to be more engaged in waste control measures

which progression on collaboration can best be achieved.

During the pilot phase, which commenced in September of last year, important areas in which companies could assess their readiness for collaboration included supply-chain transparency, availability of stock/inventory data, and the systemisation of forecasts, while, in terms of setting up collaboration platforms, areas such as resources, sharing benefits and purposeful data-sharing were among the factors considered.

Following this test phase, the model has now gone live and is expected to be a valuable tool going forward in the battle to tackle food waste along the supply chain in the years to come.

Be Fresher, Sell More, Waste Less

The workshop also played host to an insightful presentation from Rob Broekmeulen and Nevin Mutlu of Eindhoven's University of Technology on the findings of the Sell More, Waste Less report, which seeks to improve the performance of fresh supply chains and determine what is currently lacking when it comes to waste reduction.

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Emanuela Casalini
GSI Italy

A key dynamic through which the waste potential of a particular category can be monitored is the Fresh Case Cover, defined as the case pack size divided by the average demand during the store's shelf life. As a recent study revealed, this single variable can explain 42% of the variation in waste.

Broekmeulen and Mutlu examined the level to which shelf life has an impact on product availability, waste and freshness, determining that increasing the shelf life by just one day can be a major contributing factor to these areas. Improved supply-chain collaboration is a key means for achieving this.

In addition, reducing case pack size can also have an impact on shelf, with shoppers more likely to 'grab and go' a product that

is of a very manageable size. Again, this requires greater supply-chain collaboration.

Another factor identified by the university was the fact that the large difference between the size and shape of stores can influence the level of waste therein – yet another factor that requires greater collaboration along the supply chain.

Utilising Data

Emanuela Casalini, a bar-code specialist with GS1 Italy, was also on hand to examine the level to which the GS1 DataBar – a bar-code solution that extends the possibilities for product identification in the fresh-produce sector – has reduced waste at hypermarket chain Iper.

As part of its project with Iper, which saw the chain introduce the DataBar to variable-weight items in store, GS1 sought to allocate a Global Trade Item Number (GTIN) to each product, capturing the exact weight of each variable-weight trade item sold at POS and automatically recognising expired products, preventing their subsequent sale.

"The fight against waste should be seen more and more as a process that needs to be addressed in a supply-chain perspective," Casalini explained. "The search for synergies among production, retail and consumers is fundamental, not only for finding new solutions, but, above all, for making a cultural change that will allow a new and better balance of ethics and environmental issues."

The positives emerging from the study include the fact that a cross-functional implementation plan could be developed right across the organisation, while, on the ground, benefits include reduced hours in checking expiry dates, avoidance of regulation fines for out-of-date violations, and consistent product identification for variable-weight products.

The negatives are few, other than the need to coordinate different solution providers and install updated hardware solutions that are capable of managing more information.

Overall, the lasting impression was clear: in terms of tackling food waste, the retail sector is entering a brave new world. ■

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