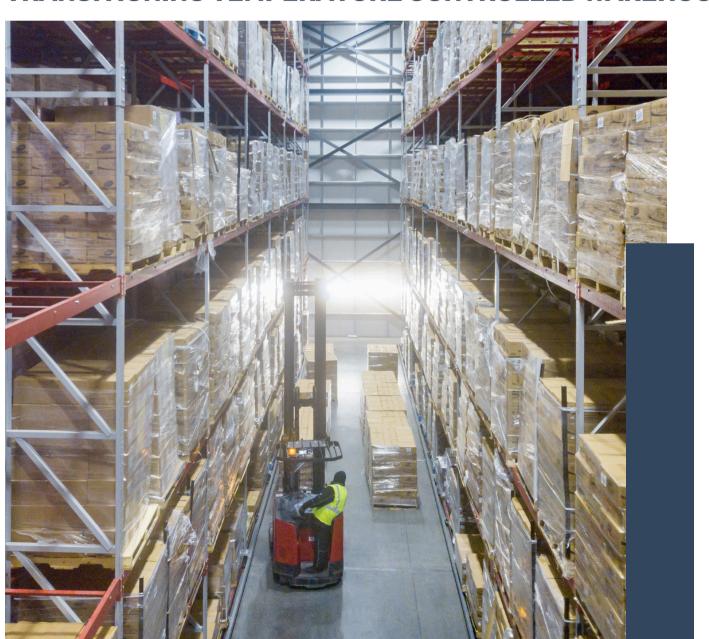




LESSONS FROM A TRIPLE BLACK DIAMOND ONBOARDING

LAND O'FROST AND RLS OVERCAME STEEP CHALLENGES IN TRANSITIONING TEMPERATURE CONTROLLED WAREHOUSING



Introduction: Elevated Standards Define Land O'Frost

Land O'Frost, one of the nation's leading brands of pre-sliced lunch meats is a third-generation family-owned and operated company founded in 1941. Their products are available nationwide in major retailers that include Kroger, Walmart and Albertsons. Their 2018 acquisition of another family-owned meat producer, Wellshire Farms, expanded their product line into the Natural/Specialty space and stores that include Whole Foods and Sprouts.

A company on the move, Land O'Frost has been steadily propelled by its "one team" culture and foundation built on trust and respect. Kelli Howard, the Vice President, Supply Chain at Land O'Frost describes the company's unique focus, "Our main purpose is making every day more fulfilling than the last, and that's both physically from what we do from a food perspective but also supporting our teams and supporting the people that we work with."

Land O'Frost's multigenerational culture and focus on innovation was one of the reasons the company decided to award RLS Logistics its temperature-controlled warehousing business. Also a multi-generational family-owned company, RLS shares many of the cultural similarities Land O'Frost values. "This idea of family-owned and operated for a very long period of time, resonated with us right off the bat. The more we talked with RLS, the more we realized they shared the same cultural values," Howard says.

Success by the Numbers

99% Inventory Accuracy at 3 Month Audit

50% Reduction in Order Picking and Processing Time

>97% length of service (LOS) achieved for loading trucks within 2 hours

<5% Overage, Shortage, and Damage (OS&D) for first year

3 Month Phase 1 EDI Implementation



Kelli Howard VP of Supply Chain, Land O'Frost

Strong collaboration and open communication proved to be the recipe for Land O'Frost's complex and intensive onboarding. Every challenge that came up received the benefits of Land O'Frost's customer and operations insights as well as RLS's proven experience and ready resources.

When communication and customer care became issues with Land O'Frost's prior cold storage provider, the company turned to RLS as a partner with which they were more culturally aligned. That alignment proved beneficial time after time during onboarding when Land O'Frost and RLS collaborated closely to overcome every difficulty they faced. An outstanding process takes you far during onboarding, but a strong partnership ensures companies get off to the best start possible.

Onboarding Overview

Catch weight process implemented

1000 pallet operation transferred to the new facility

90% of the product is refrigerated temperature controlled (33° – 40° F)

20+ truckloads of case picked orders shipped per week

10% of the product is frozen temperature controlled (-5°-0° F)

2 hour length of service requirement for loading and unloading trucks

Over 250 SKUs relocated and organized in the new facility

Inventory transfer coincided with holiday peak and inbound and outbound operations

Even Successful Onboards Have Their Challenges



John Gaudet CCO, RLS Logistics

Refrigerated Inventory Transfers Are the Hardest

On a scale of difficulty, relocating and storing temperaturecontrolled inventory is black diamond territory. Food safety standards must be maintained every step of the way. An unbroken cold chain must be maintained. That means all parts and players involved in the transition must work together.

John Gaudet, Chief Commercial Officer at RLS, explains, "Changing your cold storage provider can be a scary transition for anyone. It's not like transportation, where you can switch carriers in a matter of days. There's a stickiness in cold storage. Changing can involve a big leap of faith, but it doesn't have to be scary when you have a proper onboarding process between two organizations."

Although the preceding warehouse provider was cooperative, this is not always the case with transitions of this type. Nevertheless, even when outgoing providers are helpful, damage often occurs. RLS kept meticulous records. Regarding the physical move, Land O'Frost also had the advantage of relying on RLS' transportation services.

This integrated cold chain logistics solution provided Land O'Frost with a seamless shuttle service that kept their product at the right temperature with full visibility throughout the operation.



Tyler Firth
Director of
Operations,
Cold Storage
RLS Logistics

Unbroken Customer Service Remained The Priority

The fear factor with any onboard and inventory transfer like this is high with a customer-focused company like Land O'Frost. Disruption can cost sales and tarnish reputations. Land O'Frost's goal was to transition facilities so seamlessly that customers wouldn't notice the change.

Tyler Firth, Director of Operations, Cold Storage at RLS describes the scenario, "They're trusting their whole operations with a new partner. If things go wrong and their clients don't get product or get bad product or get wrong product, they can't just say, 'Sorry, we changed providers.' That's going to be a bad look for them. Their reputation and cost of sales are on the line."

In addition to fears related to the physical inventory transfer, successful IT onboarding is always a significant concern. Everything today hinges on well-functioning order, transportation, and inventory management. A break in these systems brings the worst: missed orders, expired products, and unexpected costs.

RLS recognizes the critical importance of seamless IT onboarding. RLS's IT team was involved before the contract was even signed. Land O'Frost's master data was being integrated into WMS far before go-live, and EDI connections were in the works at the earliest stages of planning.



Ron Pack
VP of
Technology
RLS Logistics

Ron Pack, Vice President of Technology at RLS Logistics, describes the process, "Before a customer even onboards with us, we'll usually have a series of tech calls to discuss their company, technologies, requirements, and what they're looking to do. EDI is almost always discussed during those calls to ensure that both sides' capabilities align. Then, once a contract is signed, we bring in the rest of the team, including our EDI programmer and software development manager. They act as project managers and start meeting sometimes daily or weekly with the customer, depending on their needs."

A Perfect Storm of Timing Surrounded the Onboarding

The timing of the move was a perfect storm that took place during Land O'Frost's seasonal bulk-up period. Before Thanksgiving, the holiday ham inventory surges. At the same time they were receiving relocated inventory and regular inbound deliveries.

These made for challenging conditions, but three other factors made the transition a triple-black-diamond onboarding. There were requirements for case-picking, catch weight recording, and cross docking. Rising to meet these challenges required the full powers of innovation and collaboration from both the Land O'Frost and RLS teams.

Building Case-Picking Processes Was the Greatest Challenge

Customer-centric Land O'Frost gives customers outstanding flexibility when ordering but also adds complexity to their supply chain.

Howard explains, "The way our customer base is set up, they can order one case of a product. We have minimums, but the minimums are based on the total weight, not by cases. They could order one case of this product and two cases of this product and three cases of this product to reach the minimum weight.

"So you're talking about a picker going up, grabbing a pallet, dropping it down, taking one case off, putting it on a pallet, and then putting it back up. It's a very cumbersome process from a picking perspective." She says that a lot of organizations that have a pallet-pick model that is full-pallet-infull-pallet-out aren't used to the case-pick process.

The case-picking requirement was a major challenge, requiring the RLS team to develop processes to reduce the manual workload. The team relied on SKU velocity data to position fast-moving products on the ground level to minimize the time lift operators spent going to top racks to pull pallets to the ground, remove cases, and then replace the pallets back on the rack.

Combined with process builds that improved lift operators' checking accuracy and vehicle flow in the facility, RLS has cut order picking and processing time from 18 hours to 9 hours since operations began.

Implementing Catch Weight Processes Added Complexity

Every onboarding has its unexpected bumps, and the requirement for catch weight was a mogul field the team navigated together. In the deli meat category, some billing is based on weight: suppliers charge by weight, and customers purchase by weight. The problem was that many inbound pallets were either not properly labeled or not marked with weight at all. An initial part of Land O'Frost's onboarding was establishing standards for labeling and documentation with suppliers. Later, RLS further simplified the weight issue through technology.

On the outbound side, case weights had to be accurately captured so Land O'Frost invoiced accurately. Every case's weight had to be recorded manually, which took time and effort. The process was streamlined considerably through WMS adjustments, which supported accuracy and allowed outbound and inbound shipments to be matched.

In addition to WMS, the Land O'Frost team had real-time visibility into inventory levels and order statuses via RLS's Anello platform from day one. "Their onboarding with their internal system was fantastic. We can go into their system and see our inventory levels as well as when we have inbound and outbound appointments. We also have access to inbound receipts. It gives us visibility to stuff that we never had before," Howard says.

Cross Docking Hurdles Were Solved in Real Time

It's impossible to know every aspect of a shipper's supply chain. Some unknown aspects of operations have to be learned by doing. Much of the success of Land O'Frost's onboarding was due to real-time problem solving, which couldn't have been planned for.

One of those was receiving inbound shipments that were mislabeled or had inaccurate paperwork. This challenge complicated and slowed down cross-docking. Often, the number of pallets didn't match the paperwork or how they were supposed to be grouped.

RLS benefitted from having the Land O'Frost team onsite for several weeks during onboarding. The in-person collaboration enabled RLS to get to the bottom of mix-ups on inbound orders quickly and know what to look for in the future.

"As we found an issue, they were correcting it," Howard recalls. "It was just this iterative process of making sure that everybody was available to us throughout the go-live so that when we did find issues, they could fix them on the fly and be very quick about it."



Open Communication and Close Collaboration Paid Off

Accounting for the varying procedures and systems of nine different suppliers delivering products and 6-7 carriers handling outbound shipping benefitted from clear communication and close collaboration. Process improvements to cross-docking and catch weigh process on the inbound side were proof of this.

On outbound shipments, the carriers picking up are Land O'Frost's de-facto "customers." Serving them well was a key concern of Land O'Frost. Delays during their pickups had to be avoided, and their specific appointment needs had to be accommodated.

RLS instituted a drop-trailer program for carriers who needed to pick up orders early in the morning. Refrigerated trailers, or reefers, were loaded the night before, and paperwork was completed so drivers could get their orders in time to meet their early delivery appointments.

Collaboration Led to Continuous Improvement

The Land O'Frost onboarding was an all-hands push that required long hours and a steep learning curve. Any warehouse onboarding will be challenging, but combining temperaturesensitive products, case picking, and catch weights made it especially difficult.



Dominick
Marino
General
Manager,
Newfield
Cold Storage,
RLS Logistics

Strong onsite collaboration and consistent reporting enabled Land O'Frost and RLS to adjust processes and rack positions, cutting order picking and processing time in half since operations went live.

"Setting up the product based on velocity is where we really, really drove the efficiencies," explains Dominick Marino, General Manager of RLS's Newfield facility serving Land O'Frost. "In the beginning, we were here from six o'clock in the morning until midnight some nights. Now we're doing the same amount of work, but we can usually complete it from 7:00 AM to 4:00 PM."

Demanding Customer Expectations Drove Excellence

Improvements in picking speed and accuracy were important to meeting Land O'Frost's length of service (LOS) goals of getting carriers in and out with their orders in under two hours. Case picking and catch weights made this especially challenging.

Firth describes the challenge: "Loading 20 full pallets could take somebody 10 minutes from start to finish. But when you are case picking off of 40 different items, that same hundred cases could take somebody two hours." He also explains that checking case-picked loads adds even more time to the process.

Despite these challenges, RLS met Land O'Frost's 97% requirement for their 2-hour LOS. Furthermore, cross-docking delays and mistakes were also close to being eliminated through process improvements, new labeling standards, and improved communication with vendors.

3 Key Learnings of Land O' Frost's Onboarding



1. RLS and Land O' Frost Aligned on a One-Team Approach

Land O'Frost's onboarding had hiccups like any onboarding, but no significant disruptions to inbound deliveries or outbound shipments. This was an astounding feat, considering the complexity of the operation being brought online. From the high volume of case picks to the added work of performing catch weights—problem solving and process creation were a major part of Land O'Frost's onboarding.

"The first two months were chaotic and challenging. It wasn't picture perfect, but we kept the communication up, and we just fought through, tweaked processes, and added additional processes for anywhere we felt like we were short. After our successful three-month audit, we felt good, and things started really clicking," Firth recalls.

How Land O'Frost and RLS pulled off the successful transition is largely due to close collaboration among partners. "Land O'Frost and RLS have a very similar mindset, kind of the one team thought process, an all-hands-on-deck approach," Howard describes. "It's really about being innovative together."

During kickoff, the Land O'Frost team imbedded at RLS's Newfield location for two weeks. The teams worked side by side to solve problems that came up and developed processes.

"I think it's the boots on the ground mentality of 'we're all in there helping.' The fact that RLS let us bring our people in there to be in the warehouse to help out and point things out to the pickers helped tremendously," observes Howard. "It says a lot about RLS as an organization and that they have nothing to hide."

2. RLS IT Got Involved Early and Deeply

RLS's IT team was brought in to assess needs before the contract with Land O'Frost was signed. Once an agreement was reached, RLS was ready to get to work preparing to set up Land O'Frost on RLS's systems.

Michael Fischer, Vice President of Operations for Cold Storage & Fulfillment at RLS was heavily involved in overseeing the onboarding, "RLS's process for success was to gather as much information about them as possible before we started so that we could set up our WMS, set up our building, set up our teams, and really tailor around their business so that we could knock it out of the park for them."

A top priority was receiving master data from Land O'Frost in order to set them up in WMS. "We shared a lot of files back and forth as far as volumes, customer information, SKU information, what our current process looked like, and the amount of volume that customers were going to be picking up on a day-to-day basis," Howard recalls.

IT's quick work of setting Land O'Frost up in RLS's WMS is a major reason an independent inventory audit three months after launch was 99.98% accurate.



Michael Fischer
VP of Operations,
Cold Storage &
Fulfillment
RLS Logistics

Master data was also quickly used in warehouse design, helping to inform order fulfillment processes. As operations were launched and new velocity data was captured, the information helped RLS start making continuous improvements within weeks of launch.

EDI is often a priority for new customers, but it can take six months or more to implement. To save time, RLS immediately began the process of setting up EDI. As a result, Land O'Frost benefited from a phased implementation that enabled EDI transmissions for their outbound shipments within three months of onboarding.

3. Open, Direct and Continuous Communication Accelerated Success

One of Land O'Frost's significant complaints about their preceding temperature-controlled warehouse provider was their lack of personal service. That stood in clear contrast to the communication style they found at RLS from the beginning.

"Dominick and his whole team at the warehouse are very responsive to any issues we may have. Sometimes, we ask for quirky things, and they're always willing to help.

"The fact that everyone on our team is very willing and able to reach out anytime they have something going on says a lot about the RLS team," Howard says.

The responsiveness of key personnel at RLS helped Land O'Frost go online without major disruptions, and it continues to help Land O'Frost maintain high customer service standards today.

"This openness and flexibility in responding to requests points back to RLS's unique value proposition of being flexible and easy to do business with—values that we had prior and continue to have after Land O'Frost's onboarding was complete. It's just how we like to operate." Gaudet points out.

Fischer adds, "It's about attention to detail, customer intimacy, and quick communication. The Land O'Frost team can text or call me, and I'll leave a meeting to answer. If I miss it, I'll get back to them in 30 minutes or less. That's how important communication with our customers is to us."

Well Situated For the Next Challenging Summit

Family-style fulfillment forged by the Land O'Frost and RLS partnership has proven its power in overcoming challenges and ensuring the highest standards of quality and customer service. As Land O'Frost continues to grow its volume and expand its territory, RLS has the temperature-controlled capacity, integrated transportation and warehousing services, and national network to help.

"From the beginning, we saw the ability to continue to grow with RLS. They're a national company. We are national as well on the other side of our business. We're excited about the opportunities we may have beyond this one warehouse on the East Coast," Howard says.

RLS Best Onboarding Practices and Key Learnings

Continuous Communication Is the Best Defense Against Disruption

Apply Technology and Automation Early

Leverage Analytics
Immediately for Continuous
Improvement

Visit the Outgoing Facility in person for Crucial Operational Insights

Customers Should Be Onsite in the Warehouse for the Go-Live Period

Consider Onboardings As a Discovery in Progress

Transparency and Openness to Collaboration Serves all Parties