

Blue Ridge Value Summary for Distributors

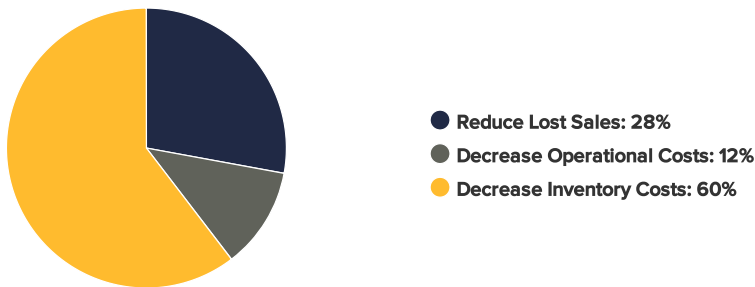


VALUE SUMMARY

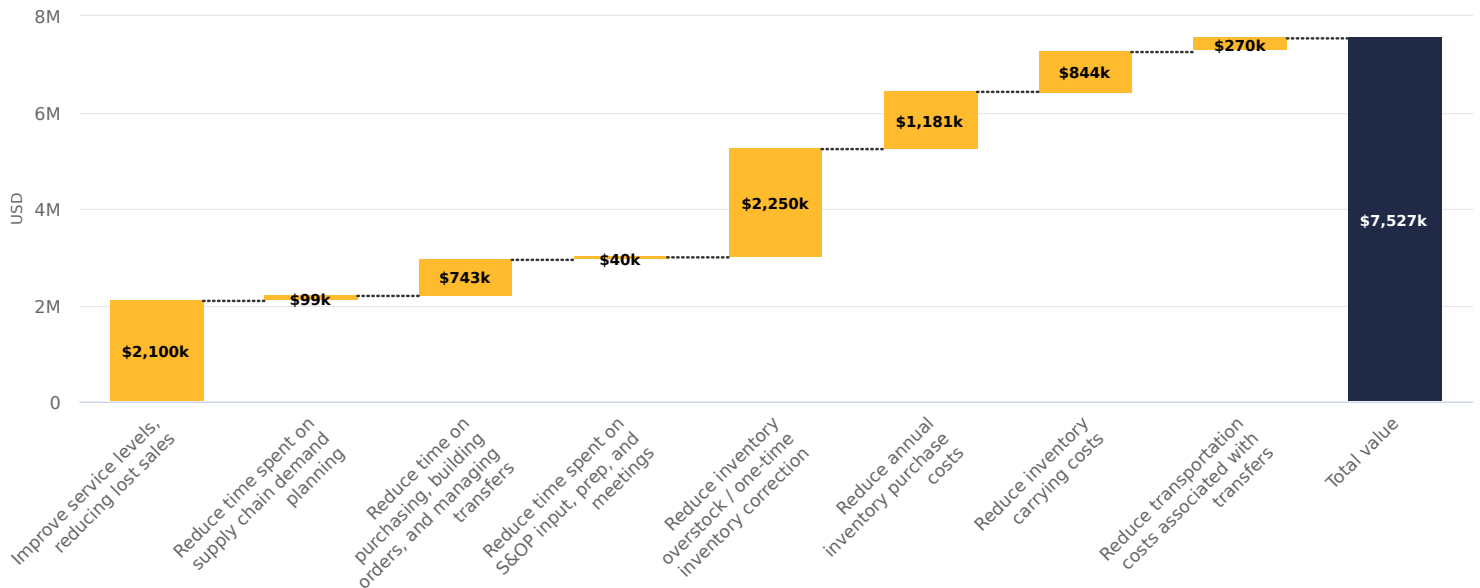
Overall 3-year value created:

\$7,526,732

How Blue Ridge Can Help You



Customer Validated Business Benefits



The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by Blue Ridge customers, and various assumptions, and produce estimates only. The actual ROI realized by customers may vary from the estimates provided. Blue Ridge offers this tool to assist customers with evaluating their supply chain management solutions; however, Blue Ridge and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates.

BENEFIT SUMMARY

Increase Revenue

■ Reduce Lost Sales

Gross profit increased, due to improved service levels, by 2.0% (30% attributable to Blue Ridge)	\$2,100,060
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Reduce Expenses

■ Decrease Operational Costs

Reduce time spent on supply chain demand planning by 40%	\$99,036
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Reduce time spent managing purchasing, orders and transfers by 50%	\$742,768
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Reduce time spent on S&OP input, prep and meetings by 30%	\$39,868
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■ Decrease Inventory Costs

One-time inventory correction to reduce overstock inventory costs in Year 1 by 20.0% (50% attributable to Blue Ridge)	\$2,250,000
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Reduce annual inventory purchasing costs by 2.0% (50% attributable to Blue Ridge)	\$1,181,250
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Reduce annual inventory carrying costs by 2.0%	\$843,750
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Reduce monthly transfer transportation costs by 40%	\$270,000
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TOTAL VALUE OVER 3 YEARS	\$7,526,732
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USER INPUTS

Industry

Food & Beverage Distributor



Select Solution

☒ Demand Planning

☒ Replenishment

☒ Integrated Business Planning [IBP]

Existing on-premise solution?

No



Average annual sales revenues (for the parts of the business that will go through Blue Ridge)

\$ 500,000,000

Current average service level

93.0

%

Expected percentage point increase in service level

2.0

%

Target service level post-Blue Ridge

95

%

Ratio of increase in sales revenue for every percentage point increase in service level (e.g. 1:1)

1.0

:1

Average overall annual inventory levels/ purchase costs

\$ 75,000,000

Approximate percent of inventory that is overstock

30

%

Number of supply chain demand planners

1.0

Average time spent on supply chain planning per demand planner (hours/month)



Number of buyers managing purchasing, order builds, and transfers

6

Average time spent managing purchasing, orders, transfers per buyer (hours/month)



Average time spent on S&OP input, prep, and meetings across all people

70

involved (hours/month)

Average transfer transportation costs per month

\$	25,000
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Want a more personalized, detailed analysis?

A Blue Ridge representative will be in contact with you soon.