



# CASE STUDY



MAPLE LEAF FOODS

#1 IN CANADIAN FLEET OUTSOURCING



## THE CLIENT

Maple Leaf Foods is a producer of food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, Lightlife®, Field Roast Grain Meat Co.™ and Swift®. Maple Leaf employs approximately 13,000 people and does business in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

## THE OPPORTUNITY

In 2012, Maple Leaf Foods embarked on an ambitious project to simplify and streamline their distribution network with a goal of increasing their supply chain efficiencies. Part of this initiative was consolidating multiple distribution centers in Ontario into a single location just outside of Guelph, Ontario. The other goal of the project was to determine if there was a viable option for Maple Leaf Foods to outsource their in-house private fleet of trucks and drivers, while maintaining the high level of service and food safety that the company required.

Maple Leaf Foods felt that their in-house fleet, while providing great service to the business, was an inefficient use of capital and complicated to operate. They also experienced cost pressure during high-volume shipping periods, as they had to hire short-term carriers to supplement their private fleet. This was significantly increasing their transportation costs as they were paying premium prices for short-term capacity.

After extensive research, they turned to Canada Cartage, a dedicated fleet outsourcing company with over 100 years' experience, to manage their fleet and help them grow their business.





## THE SOLUTION

Canada Cartage's solution was a fully-integrated fleet outsourcing model. This included:

- Purchasing Maple Leaf's existing tractors and trailers, relieving them of capital costs on their balance sheet, as well as the on-going equipment maintenance and truck replenishment costs
- Providing tractors, temperature-controlled trailers, and drivers in a dedicated fleet outsourcing solution
- Embedding on-site Canada Cartage management and dispatch staff in the office of Maple Leaf's distribution centre. This ensures Maple Leaf gets 100% dedicated customer service, complete oversight of drivers, and a responsive, "boots-on-the-ground" team to deal with day-to-day logistics challenges
- Providing a unique hub and spoke terminal model to deploy additional equipment and drivers on short notice for volume surge requirements
- Installation of telematics and refrigerated trailer temperature monitoring devices on all vehicles. This ensures that Maple Leaf's high standards for food safety and quality controls are maintained, while reducing the risk of spoilage and the associated costs of product replacement
- Access to Canada Cartage's solution engineering team, who analyzed all delivery routes and developed an optimized routing program
- Proactive account management and regularly-scheduled review meetings between Canada Cartage and Maple Leaf Foods' senior management. These meetings focus on customer service KPIs, cost controls, and continuous improvement initiatives







## THE IMPACT

As a result of Canada Cartage's partnership, Maple Leaf Foods has identified several key benefits that have improved their business operations:

- Transportation cost savings of over 10% per year due to fleet right-sizing, route optimization, and daily focus by Canada Cartage's in-house fleet management team
- Capital cost allocation being assigned to company growth initiatives, rather than in-house fleet costs
- Reduced risk and liability to Maple Leaf Foods of running an in-house trucking operation
- Responsive, on-site customer service from Canada Cartage's dedicated team. As a third party supplier, Maple Leaf held Canada Cartage accountable to on-time delivery standards and customer service excellence
- Improved service during peak periods through a consolidated transport supplier model; rather than using multiple carriers during volume surges, Maple Leaf relies on Canada Cartage to manage all peak shipping periods
- Supply chain efficiencies and continuous improvement by leveraging Canada Cartage's extensive supply chain expertise and resources

"In partnering with Canada Cartage, Maple Leaf Foods has benefited from reduced costs, improved efficiencies, and their dedicated approach towards servicing our business. The drivers, managers, and account management team have become an extension of our department. The partnership has worked out very well for us, and we continue to work together towards best-in-class performance in distribution and transportation," says Kevin Riley, Vice President, Transportation and Distribution, Maple Leaf Foods.

