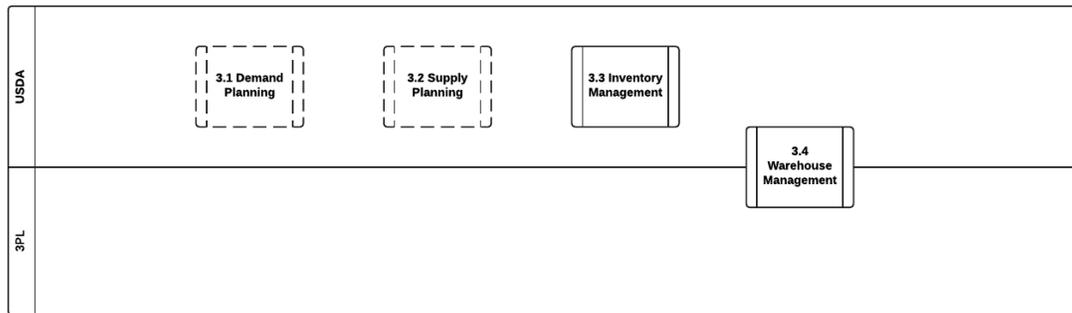


Demand to Supply (3.0) As-Is Process Flow and Narrative

3.0 DEMAND TO SUPPLY

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3.1 Demand Planning

- **Gap**
 - Demand Planning is not currently performed as a formalized process

3.2 Supply Planning

- **Gap**
 - Supply Planning is not currently performed as a formalized process

3.3 Inventory Management

- Inventory at the Multifood Warehouses (MFWH) is monitored and replenished based on volume and expiration date

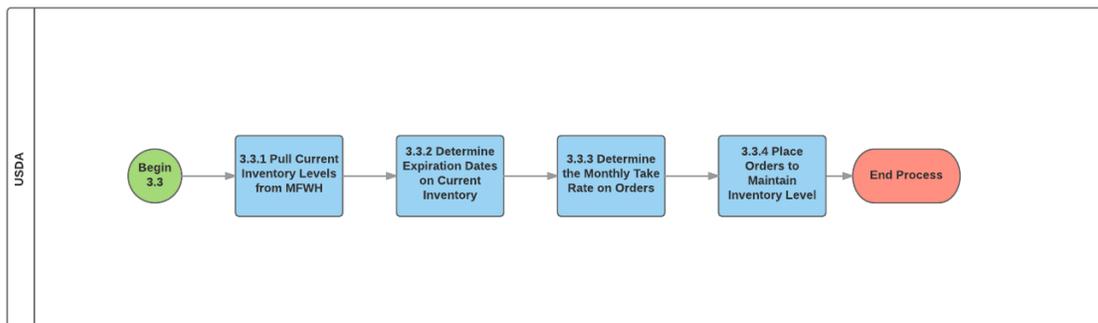
3.4 Warehouse Management

- Warehouse Management is currently being outsourced to a 3rd Party Logistics (3PL) provider

Level 3 Process Flows:

3.3 INVENTORY MANAGEMENT

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Demand to Supply (3.0) As-Is Process Flow and Narrative

3.3.1 Pull Current Inventory Levels from MFWH Systems

- **Pain Point**
 - Data can be up to a month or more out of date due to delays in distributors submitting their deliveries

3.3.2 Determine Expiration Dates of Current Inventory

- Expiration dates are used to determine inventory quality

3.3.3 Determine Monthly Volume

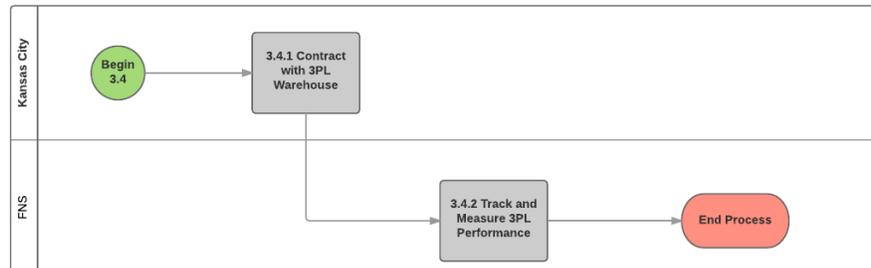
- Historical data for prior 3 months is used to determine a monthly average for each SKU
- Expiring inventory with less than 2 months shelf life is added to the demand so it can be accounted for in orders

3.3.4 Orders Placed to Maintain Target Inventory Levels

- Orders are placed quarterly with staggered delivery dates throughout the period.
- Target Inventory Levels:
 - Perishables – 2 months on hand
 - Non-perishables – 3-4 months on hand

3.4 WAREHOUSE MANAGEMENT

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Note: Warehouse Management is currently being outsourced.

3.4.1 Kansas City Office Contracts with 3PL Warehouses

3.4.2 FNS Monitors Metrics and Holds 3PL Accountable