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## Redistribution Redone

If you read this newsletter, you know a lot about redistribution. But if you're like me, you probably didn't know a lot about Consolidated Distribution Company (CDC), an organization that's quietly building a nice business by streamlining logistics for foodservice chains.

At its heart, CDC functions like any other redistributor - receiving straight truckloads of product from manufacturers, and distributing it in mixed truckloads to distributor customers. But that's where the similarities end; nearly everything else about CDC is different.

For starters, while traditional redistributors operate from their own warehouses, using company fleets, CDC uses rented warehouse space and 3rd party carriers for inbound freight. This allows maximum flexibility to respond to their customers' changing needs, and to take advantage of new business opportunities.

Second, traditional redis market and sell their services to suppliers (manufacturers) and customers (distributors), pretty much taking a "hands off" approach to operators. But CDC has focused their sales and marketing efforts squarely on the operator chains, selling the benefits of redistribution for slower-moving products. The chains then assure that their appropriate distributor and manufacturer suppliers move their products via CDC.

Third, most redis specialize in making shipments to distributors, either within a defined geography or on a national basis. But CDC's distributor customers almost always pick up at the CDC warehouse, either via backhaul or by arranging freight with a 3rd party carrier.



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By avoiding the complexity of managing outbound freight, CDC holds down the cost of their services and is able to focus on what they do best - removing waste from the supply chain.

And as their operator chain customers have expanded to overseas markets, CDC has developed export capabilities to maintain a seamless program regardless of geography.

Finally, while CDC follows the traditional redistribution model of purchasing and taking ownership of the products, they also offer consignment programs for selected manufacturers who prefer this arrangement. With consignment, the manufacturer is still responsible for taking orders, invoicing, and collecting from distributors.

My guess is we'll all be seeing and hearing a lot more from CDC in the months and years ahead. For today, you can learn more at their website: <http://www.cdcsupply.com/>

Dave

Dave DeWalt, President  
Franklin foodservice Solutions