THE TIMES 100

Edition 14

Kellogg’s: Supply chain from manufacturing to shelf

Answer sheet

1. What was the Kellogg’s philosophy when experimenting with different ways to cook cereals without losing their goodness?
   Improved diet leads to improved health.

2. What are Kellogg’s business strategies?
   - To grow the cereal business
   - To expand the snack business by diversifying into convenience foods.
   - To engage in specific growth opportunities.

3. There are three types of sector. What are these sectors?
   Primary, Secondary and Tertiary

4. Which sector is Kellogg’s in?
   Secondary sector (manufacturing).

5. Using the case study, explain the difference between the three sectors.
   Primary sector provides raw materials for processing. Secondary sector processes raw materials to make finished products. Tertiary sector do not produce goods - they sell them.

6. Why is lean production incorporated into most businesses?
   Lean production is incorporated to improve efficiency productivity and reduce costs.

7. How has Kellogg’s incorporated lean production into its operations?
   By partnering up with other businesses, reducing the amount of stock held by incorporating a just in time manufacturing system.

8. What is the FDF?
   The Food and Drink Foundation which is an umbrella organisation for food and drink manufacturers that encourages its members to reduce:
   - Levels of packaging to consumers
   - Use of water during production
   - Impact of transportation
   - Waste to landfill
   - Energy use during production.

9. How has spare capacity been addressed in this case study?
   By not sending out half full trucks but by combining delivery loads with Kimberley Clark, thereby reducing the number of truck loads and only sending our full trucks.

10. What is Just in time production and what are the benefits of this type of production?
Just in time production is where the manufacturer makes just enough to satisfy demand, meaning that there is little storage required as the goods manufactured are sent immediately. It also relies on the delivery of raw materials being delivered frequently and on time so that large quantities of stock are not needed to be stored or money is tied up in the stock.