

A supply chain reaction

MANUFACTURERS OF ALL KINDS HAVE BEEN TESTED WITH SUPPLY CHAIN CHALLENGES, BUT AS *GLOBAL COFFEE REPORT* EXPLAINS, IT'S THOSE THAT JUMP INTO FIGHT OR FLIGHT MODE, LIKE CAFETTO, THAT HAVE LEARNED VALUABLE LESSONS AS THEY PREPARE FOR FUTURE GROWTH.

The past 24 months have presented countless challenges that have ensured only the most adaptable and responsive businesses would thrive. For Australian-based specialist manufacturer of cleaning products, Cafetto, its team has worked tirelessly behind the scenes to ensure its capacity to maintain a supply of critical raw materials so that it could continue to produce and supply customers around the globe.

"We have learnt that in an uncertain world, a traditional just-in-time supply chain strategy simply cannot perform in the face of an unexpected, disruptive global event. We have a duty to maintain our operation and ensure consistent supply of critical cleaning and sanitation products to our customers," says Cafetto Director Christ Short.

As such, Cafetto made itself a mission to develop a new strategy where it promptly identified the risks and roadblocks to mitigate any uncertainty immediately, and into the future.

The key areas of consideration included a contingency plan in the event on-site staff contracted COVID-19, just-in-time delivery, quality assurance of alternative raw materials and packaging, production capacity, warehousing space, and ongoing technology advancements.

To manage the spread of COVID-19 in interconnected sites, strict protocols were put in place across the business to limit, and in some cases prohibit, movement between functions. Many of these restrictions are still in place. The result, Short says, has seen Cafetto continue to run at full capacity throughout the pandemic.

To enhance manufacturing and output capability, Cafetto sourced key pieces of available automated filling equipment that it could commission quickly and provide excess capacity.

"This gave us the ability to quickly flex production up or down to meet unstable demand. It also meant that we could produce excess product with the intent of filling each of our warehouses around the world, giving us up to a six-month buffer of key products lines. Even if something catastrophic were to occur, we had plenty of time to respond," says Cafetto General Manager Christine Song.

The next step was identifying all critical raw materials that were key to production of Cafetto tablets and powders, setting up a program of identifying multiple suppliers for each, and sourcing alternative raw materials in preparation for supply shortages.

"We completed quality tests of the alternative raw materials to ensure they remained a high-grade level. This gave us the confidence that should we need to reformulate our products, we could do so without waiting on delays of particular raw materials. We went into preventative action mode before waiting for a supply crisis to hit, and it helped," Song says.

Since April 2020, each of Cafetto's international warehouses in the Netherlands, United Kingdom and New Zealand hold two to three times more volume of finished goods compared to what they did pre-COVID-19.

"With the increasing cost of shipping and lack of containers available, we decided to increase our container shipping to Europe and the United Kingdom by two to three times our usual volume to make sure we have a good level of stock for our customers. At its worst, one particular container

of stock from Australia to the UK took up to 20 weeks. That's not an acceptable wait time for our customers," Song says.

"This move certainly provided our customers and distributors confidence in Cafetto's capability to supply goods with minimum interruption. It's thanks to the quick actions of our whole team that we are ready to supply customers around the world with sufficient stock."

With increased volumes of supply, comes the question of storage space and where to house increased stock. As a result, Cafetto has acquired a further warehouse adjacent to its Adelaide factory, enabling the company to quadruple its storage area for raw materials.

"This acquisition brings incredible efficiencies and assurance to our business and customers. We are no longer reliant on just-in-time deliveries in this ever-changing global supply chain," Short says.

The third component of Cafetto's contingency plan included the ongoing advancement of its I.T operating system with continuous upgrades to ensure effective communication between Australian-based and global facilities, staff, and customers. It also implemented state-of-the-art security systems to ensure data protection and backup systems.

"Each day, COVID-19 taught us a new lesson and created the need for more creative thinking. It has taught us to expect the unexpected," Short says.

"Although the threat of COVID-19 is largely behind us, new challenging events around the world continue to unfold and we need to be prepared. We are certain that our progress and improvement in risk mitigation



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Cafetto General Manager

and supply chain management will provide our customers with the security they need now, more than ever before.”

The Cafetto team is committed to continuous improvements and solutions as it grows, and says with the market stabilising a little, it has confidence in its plans and processes to tackle whatever comes next.

“We will always monitor and act promptly on any issues to keep control of what we can deliver to customers and distributors around the globe,” Song says.

“But one thing’s for sure, Cafetto is a good listener. It’s one of our best traits as a company, especially from Company Director Chris. We always listen to our customers’ needs and wants regarding market trends and requirements, then find a way to deliver it. We always put the customer’s needs first. Doing so has led to successful product development, improvements, and long-lasting relationships.”

Cafetto has become a trusted brand and significant contributor to the global coffee industry over the past 19 years. This year, it is the Qualified Cleaning sponsor for the 2022 World Barista Championship, World Brewers Cup, and World Cup Tasters Championship. Song says its partnership of the event is another opportunity to share the importance of Cafetto products to execute coffee quality, and with its renewed process and protocols in place, can ensure new customers that Cafetto is in a solid position to continue supporting partners, businesses, and the wider coffee industry.

“We want our customers to have faith in what Cafetto does and know that we maintain close communication and good customer service to support our customer’s journey with us,” Song says.

“We are in the process of upscaling production even further to achieve better outcomes and shorter lead time in future, in what is another example of how we are committed to delivering market needs. We are always looking ahead and for ways to support our growth and provide the best service for our customers. That’s just part of Cafetto’s DNA structure and our commitment to the industry that has supported us in return for many, many years.” **GCR**

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