



CASE STUDY

ORGANIC VEGETABLES &
FRUITS FARM TO FORK



Revenue Jump : 4X
Margin Jump : 2X

A Farm2Fork organic fresh produce (vegetables and fruits) company used Profito to accelerate its revenue and achieve operational break-even by doubling its margins through a range of insights, cues and pointed action.

OVERVIEW

The company is in the business of farm-to-fork organic fresh produce, operating out of three states with a range of over 1200 SKUs. The range covered common vegetables, exotics, greens and a range of fruits.

The business model was built around direct sourcing from the farm, sorting and grading, packaging and delivering through an efficient supply chain and distribution system (both B2B and B2C)



The Fresh Produce business is a tough one to crack due to high wastage and very low shelf life

THE MARGIN CHALLENGE

- Demand predictability was an issue, leading to lack of integration between sourcing and sales, thereby leading to poor procurement / supply chain management.
- There was a lot of value erosion due to inconsistent farm produce, grading losses and high cost of logistics



FINDINGS

Within six months of deploying Profito, it became clear that the levers for profitability were largely in three specific areas. Using existing and benchmarked data, Profito was able to pinpoint and recommend a range of actions (top areas summarised below).



While the broad problem areas were known, the benefit that Profito brought to the table is the focussed action it recommended with clear basis and back-up

PROFITO CUES SUMMARY

The various alerts, insights and cues that Profito generated can be summarised into the following three broad areas of action :

- 01** **SKU rationalisation**
 Cut down from 1200 to ~ 200 SKUs based on market, financial and operational abilities of the company
- 02** **Channel rationalisation**
 Added e-commerce and quick commerce, rationalised own stores and exited home / last mile delivery
- 03** **Wastage reduction**
 Identified 10 types of wastage with actions to stop leakage and redeem value through secondary means

RESULTS

- 98%**
 order conversion / fill rates (up from 82%)
- 300%**
 Revenue jumped to 4x of the initial run rate
- 100%**
 Margin jumped 2x of baseline in real terms