


Bakery Operation with Route Distribution System



Initial Challenges

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- Finding / Defining your Market Identity & Niche
 - What is the optimum Product Mix?
 - Timing of daily production for Routes vs. Retail Shop
 - Fresh Delivery for 5, 6, or 7 Days??
 - Enough production to fill 7 complete days?
 - One production shift or multiple shifts / Day?
 - One-way sale vs. Consignment Accounts
 - Foodservice, Institutional, and Retail Outlets
 - Fresh vs. Frozen

Route Distribution Opportunities

- Independent Operator or Company Employee
- Truck Driver (Hourly) or Route Salesman (Commissions)
- Fleet Management
- Types of Vehicles to utilize
- Lease or Own the Distribution Vehicles
- Maintenance Program for Vehicles
- Vehicle Regulations, etc.



Benefits / Challenges for Wholesale Bakers

• Benefits

- Brand Identity exposure
- Greater Opportunity for Sales Growth
- Increased Product Output
- Ability to sell more diverse Product Lines
- Greater Material Purchasing leverage
- Customer Base becomes more Diverse
- New Customer Segments
- New Markets introduced to your Brand / Product Line
- New Pressure on other Competitors

• Challenges

- Increased Material Costs (i.e. Packaging Materials)
- Increased Overhead Costs
- Increased Direct Labor Costs
- Greater emphasis on Food Safety Audits
- More management & departments necessary for Distribution, Sales Dept., Customer Service, Admin.
- \$\$\$ Collections / Receivables challenges
- Increased Product Mix could create less Bakery Efficiency
- Introduction to new Competition



