

Sysco food service essay sample

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The basic necessities of life involve food, water, and shelter. Throughout history, we have evolved these basic necessities into finer things in life. Instead of living in just a cave, our shelter consists of structural buildings with luxuries such as couches, beds, televisions, and radios. We have taken basic water and turned it into flavorful beverages including soda and coffee. Finally, we have taken food, applied special cooking techniques and spices, to create four course meals. Sysco Corporation is a company that delivers restaurant supplies to different establishments across The United States and parts of Canada (Sysco Locations, 2012). Sysco began in 1969 as nine smaller food distribution companies. These companies include (Sysco Corporation History, n. d., para. 3):

-Zero Foods Company of Houston -Frost-Pack Distributing Company -Global Frozen Foods, Inc. -Houston's Food Service Company -Louisville Grocery Company -Plantation Foods -Texas Wholesale Grocery Corporation -Thomas Foods Inc. and Justrite Food Service, Inc. -Wicker, Inc. Sysco has been growing ever since, " mainly through dozens of acquisitions of smaller distributors" just as they did by combining the nine original companies (Sysco Corporation History, n. d., para. 2). This company markets supplies which include, " fresh and frozen meats, seafood, poultry, fruits and vegetables, baked goods, paper and disposable items, chemical and janitorial products, beverages, dairy foods, and medical

3 supplies" (Sysco Corporation History, n. d., para. 2). In addition to restaurants, Sysco delivers their products to " schools, hospitals, nursing homes, hotels, businesses, and other organizations" (Sysco Corporation History, n. d., para. 2). We can see that when a business offers certain

products to consumers, supply and supply chain management are required. Burt, D. N., Petcavage, S. D., & Pinkerton, R. L. (2010) define supply chain as, “ the process of acquiring goods, services, and equipment from other organizations” (p. 13). Sysco is very talented and has very high standards when looking at their supply chain. Within their organization, they have a division called Sysco’s Supply Chain Operations / Supplier Compliance (SCOPS) (Supplier Standards, 2012, para. 1). This division takes suppliers and “ transitions” them into the Sysco Redistribution Center (RDC) network (Supplier Standards, 2012, para. 1).

This ensures that Sysco suppliers are proficient with quality and quantity while at the same time reducing operational expenses (Supplier Standards, 2012, para. 1). When it comes to supply chain management within Sysco, we can see that managing the supply chain is second in priority next to the customer itself. While looking at the Sysco home page, the Supplier Partnerships icon is located next to Customer Solutions icon (Sysco, 2012). If there is nothing to supply the customer, then no business can be conducted and therefore Sysco would not exist. Like any other company, supply management is not the only department in the organization. All departments must work together in order to create a successful and profitable company. If we look at the Career Opportunities (2012) page, we can see that Sysco offers careers opportunities which include “ drivers, sales associates, merchandisers, accountants,

4 management, and warehouse operators” (para. 2). All departments work in sync one another to provide satisfaction for both customers and employees. Customers need products just like employees need to be paid. Sysco is a <https://assignbuster.com/sysco-food-service-essay-sample/>

business organization that functions similar to a living organism in the fact that all systems depend on one another for the survival of the entire entity. In regards to the way Sysco develops new products within the organization, we can see that Sysco caters to the needs of its clientele. Sysco's TrendSpotter (2012, February) articles tell us about new food trends in America inspired from around the world (p. 1). We learn that " Innovative flavor notes and ingredients can be a low-risk way to update conventional foods and fuel consumer interest in trying new menu offerings" (TrendSpotter, 2012 February, p. 1).

If one of Sysco's clients is willing to expand their menu toward this growing world trend, Sysco says it can help. This company will help because, " Your Sysco Marketing Associate, backed by Sysco's formidable team of culinary and operational professionals, can help you with ingredient advice, costing information, recipes and consumer data...for your concept and customer base" (TrendSpotter, 2012 February, p. 3). Sysco also gives its clientele the opportunity to receive specialty products that are not available on a regular basis. Sysco does this with both their Sysco International Specialties and Chef Ex divisions. They describe their International Specialties division as " travel[ing] the globe to bring you the very best in Specialty Food products. From the exotic spices of Asia to the rich taste of Belgian Chocolate" (Imported & Gourmet, 2012, para. 2). Their Chef Ex division offers " products, produced by chefs for chefs" (Imported

5 & Gourmet, 2012, para. 1). This statement provides insight into the fact that Sysco cares about their customers and the products they receive. As a matter of fact Sysco goes above and beyond normal guidelines for quality. <https://assignbuster.com/sysco-food-service-essay-sample/>

They tell us (Quality Assurance, 2012, para. 2): We go to great lengths to ensure that our suppliers and our state-of-the-art distribution warehouses maintain the highest standards, often above and beyond government regulations. Additionally, we routinely monitor product quality and food safety systems to ensure compliance and customer satisfaction. Also, within the Quality Assurance department, are “ more than 100 QA professionals committed to maintaining the most stringent standards in terms of food quality, consistency and food safety” (Quality Assurance, 2012, para. 1). In the event of a recall, Sysco will notify clients and create a plan of what action for the recalled items (Recall Notification, 2012, para. 1-2).

A company such as Sysco purchases capital equipment to benefit the company as well as reduce operational cost and increase profit margin. Sysco tells us, “ Since January 2010, we have purchased more than 2, 300 clean diesel trucks with low emission engines approved by the U. S. Environmental Protection Agency” (Sustainability Report, 2012, p. 9). They also use cutting edge technology to provide the most efficient route for shipments, limit the speed of vehicles, record fuel consumption, and reduce energy use in warehouses (Sustainability Report, 2012, p. 9). Sysco’s Form 10-K describes their continued efforts to improve. They plan, “ To maximize productivity and customer

service, we continue to modernize, expand and construct new distribution facilities (Form 10-K, 2012, p. 3). For 2012, Sysco invested about \$784. 5 million into “ technology, facilities, delivery fleet and other capital asset enhancements” (Form 10-K, 2012. p. 3). Sysco also tells us, they “ enhanced our Broadline operations through the completion of nine acquisitions

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representing nearly \$270 million in annualized sales” (Annual Report, 2012, p. 11). By procuring services through mergers and acquisitions, we are made to believe that Sysco wishes to dominate the market. We can see that this company spends a good deal of time, money, and effort in acquiring the services of other companies. Throughout the 80’s, Sysco is described as having “ Rapid Growth through Acquisitions” (Sysco Corporation History, n. d., para. 6). For example, the acquisition of CFS Continental “ added 4, 500 employees, and increased the number of markets Sysco served to 148 out of the top 150 markets” (Sysco Corporation History, n. d., para. 2).

If they can add to their company and profit, they will purchase the services and equipment necessary. When it comes to outsourcing, Sysco tends to limit this because it is not practical with this type of business due to the fact that fresh food comes from local suppliers as well as their distribution centers are located in North America (Sysco Locations, 2012). As a matter of fact, Sysco is “ committed to local farming initiatives and work closely with small farms and local producers to make their high quality products accessible to more people” (Local Flavor, 2012, para. 2). When dealing with international purchases, we can see a wide variety of items that Sysco is willing to import. They offer international products for customers who wish to purchase these worldly products (Imported & Gourmet, 2012, para. 2).

Sysco’s Import Catalog (2012) offers international products such as oils, vinegars, olives, caviar, wild game, and pastries just to name a few (Table of Contents). Like any other company out there, contracts are created to protect all sides of any and all business agreements. Business Dictionary (2012) defines contract as “ a voluntary, deliberate, and legally binding <https://assignbuster.com/sysco-food-service-essay-sample/>

agreement between two or more competent parties” (para. 1). When entering into a contractual agreement, one usually assumes the other will fulfill obligations toward the other and vice versa. This is not always the case. Sometimes one party will not honor their end of the contract and a dispute will arise. In Sysco’s case, they ask their suppliers and vendors to comply with the terms and conditions of the Supplier Code of Conduct (n. d, p. 1).

The Code of Conduct (n. d.) describes “ specific requirements” Sysco requires being part of its organization (p. 1). One requirement in particular involves the legalities of the United States and Canada. This requirement states, “ Sysco suppliers must comply with all applicable national, state or regional, and local laws and regulations in the countries in which they operate” (Supplier Code of Conduct, n. d., p. 1). Some other topics in the requirements section include topics dealing with human rights, wages and benefits, discrimination, health and safety, and confidentiality (Supplier Code of Conduct, n. d. p. 2). We also learn what happens if there is a dispute with the contract. The Supplier Code of Conduct (n. d.) tells us, “ If a supplier violates this Code, either generally or with respect to a particular supplier facility, Sysco may either terminate its business relationship, generally or with the affected facility, or may require the affected facility to

8 implement a corrective action plan” (p. 3). According to Form 10-K (2012), other than the U. S. and Canada, Ireland is the only other country containing a Sysco distribution facility, therefore, limits the amount of international contracts with this company (p. 11). None the less, the Supplier Code of Conduct (n. d.) explains to us that both parties will obey the local laws as <https://assignbuster.com/sysco-food-service-essay-sample/>

well as the terms and conditions which Sysco has set fourth (p. 1). If Sysco were to expand to other countries, Sysco would have to be very careful in the sense that laws can be much different than those in the U. S., Canada, and Ireland if creating a distribution center or base of operations. As stated earlier, Sysco has The International Specialties department.

This department specializes in acquiring specialty food from around the world for customers that require specialized products (Imported & Gourmet, 2012, para. 2). We can see that this is only the beginning for what could possibly be a global food distribution company. When dealing with inventory, Sysco uses a first-in, first-out method of inventory distribution (Form 10-K, 2012, p. 49). This usually is the case with most types of inventory due to the fact that Sysco is one of the largest suppliers of food for several establishments. We also learn that Sysco wishes to deliver inventory with a reasonable amount of shelf life on the product. This means, products delivered to clients by Sysco, will have a minimum of 80% shelf life, until the product is dated to expire (Supplier Compliance Manual, 2012, p. 7). These are the products that come from the supplier, enter Sysco's RDC Network, and are delivered to the clients (Supplier Compliance Manual, 2012, p. 7). In addition, Sysco demands suppliers deliver orders in full and confirm orders electronically (Supplier Compliance Manual, p. 6). Suppliers are also required to deliver products to The Redistribution Center Network in accordance with those of the Supplier Compliance Manual; these conditions include (2012, p. 20):

- Load the correct item and case quantity.

- Ensure all loaded cases are in good condition.
- Secure the load to minimize shifting and maintain case integrity.
- Ship with sufficient shelf life

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as agreed to by Sysco and the Supplier. • Seal all trucks prior to the truck leaving the supplier's shipping facilities. Note seal information on the Bill of Lading. • All refrigerated or frozen trucks, rail cars are required to have a Temperature Tracking Recorder. Contact the Quality Assurance team noted in section IX concerning TTR Requirements. *TTR specifications can be found under Additional Corporate Requirements in Appendix VII A. • In the event that a truck arrives at a Supplier's facility sealed, the Supplier must record the seal number that will be broken and record the new seal number on the Bill of Lading. Quality and organization involved with inventory is important because Sysco offers " Over 400, 000 products, including approx. 40, 000 Sysco Brand products" (At-A-Glance, 2012, p. 1). Sysco also tells us these products are accounted for using specialized barcodes. These barcodes account for " both products and services that are sold, delivered, and invoiced at any point in the supply chain" (Supplier Compliance Manual, 2012, p. 16).

Sysco has a very sound harmony in terms of the relationship between supply, demand, and logistics. Investopedia (2012) defines supply as " the total amount of a specific good or service that is available to consumers" (para. 1). This is important to know because supply is not infinite. Supply will run out because of the demand for that product. Demand is defined as, " a consumer's desire and willingness to pay a price for a specific good or service" (Investopedia, 2012, para. 1). As we can see supply and demand are dependent upon one another within the marketplace. This dependency within the marketplace is where Sysco must properly analyze the logistics of supply and demand to meet specific goal and expectations.

Logistics is supply is better summed up by Ball, McCulloch Jr., Frantz, Geringer, & Minor (2006) when they tell us (p. 614): Management has become increasingly aware that greater profits may be obtained by organizing all of its companies' production facilities into one logistical supply system that includes all the activities required to move raw materials parts, and finished inventory from vendors, between enterprise facilities and to customers. We can see Sysco incorporates all elements of supply chain management by combining suppliers that distribute to the RDC. Followed by the RDC distributing goods to consumers (Supplier Compliance Manual, 2012, p. 4). In terms of the quality of Sysco Corporation, we can see this company is at the top in terms of food service distribution. This company is the "only major public foodservice distribution company the U. S." (At-A-Glance, 2012, p. 1).

Their products are of the highest quality when they tell us, "Sysco's commitment to quality extends well beyond strong QA Department" (Quality Assurance, 2012, para. 1). They control quality above and beyond both customer expectation and government regulation (Quality Assurance, 2012, para. 2). We as humans are not perfect and nothing we create will ever be perfect. Sysco is a company created by people, therefore there is always room for improvement. Sysco has a great system of management especially when it comes to the supply chain. So far, we have not been able to encounter any weaknesses except for the possible recall of certain products. This is to be expected and Sysco informs us whenever products need to be recalled (Recall Notification, 2012, para. 1). Otherwise, this company knows

how to prosper. Sysco prospers with integrity, honesty, hard work, and intelligence.

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