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TUI UNIVERSITY George M. Cyrus Jr Module 2 Case Assignment Logistics 501

Tom Javarinis Let's look at how the potato chip came to be. In 1853 the first potato chip was invented by a chef at the Saratoga Springs New York resort in 1853. It was created because one of the customers at the resort keep sending them back because they were too thick, soggy and had no taste to it. Crum then decided to fry them and sprinkled them with salt for taste. They were soon a regular item on the menu. Later, around the 1920's they then moved from restaurants to being massed produced. Once they came up with a way to keep them fresh and from breaking up, they were able to put them into mass production 1920' s. Frito Lay was created in 1938 by Herman Lay. Frito Lay is one of the leading potato chip companies in the United States for many years. They continue to post recording breaking numbers in all of their brands. One of their enduring brands is the Lays potato chips. These potato chips can be found in many different flavors. The currently are barbecue, sour cream and onion, ranch and many others. However, this industry is highly competitive and there are large manufactures that have many types of products and other snacks. Smaller companies have found a way to compete with the larger companies. These small companies have gained footing by introducing the new healthier chips that are now being sold in health food stores. A lot of concern about the Salt content is what enable smaller companies to compete. They focused on these healthier brands and have introduced a product that is totally opposite of the major brands. Lays has also added Dips to their brand. They currently consist of Ranch, French onion and etc. This was created because dip is consistently served with potato chips at events such as birthday parties, foot ball parties, luncheons and etc. Frito Lay Extended Enterprise Supply Chain [pic] [pic]

([pic])([pic])([pic])([pic] Farm Manufacturer Warehouse/ Retailer Consumer Distributor When it comes to potato chips, the industries in the extended supply are few. The first industry is the farm where the potato chip comes from. They are currently located in cities like North Dakota, New England, Florida, Michigan, Texas and California and etc. They are also located in Central and South America, Brazil, Europe, in Leicester and Coventry England, Asia, Middle East & Africa and India. These farms have been picked for their potatoes that will be used in the making of the potato chip. Because a potato is something you can grow yourself, it is very easy to make potato chips. However, these potatoes are planted and treated with the utmost of care to produce a high quality product. The potatoes are grown and harvested and then they are shipped to a Frito-Lay plant. When they arrived the first thing they do is wash them. They are then peeled with the utmost care. Next they are then cut into slices and then rinsed again to remove particles produced from the cutting. They are then cooked in oils such as sunflower, canola and corn oil. These are very important because they are considered all-natural oils. They contain 0g trans fat and are considered lower in saturated fats. Once dried, they are then sprinkled with salt for taste. Because creating these potato chips is so simple they can be created in less than a day. Once they are packaged, they are then sent out to distributions centers worldwide. This is where the products are stored and then loaded on to trucks and then taken out to stores, gas stations, vending machines and etc. Frito lay currently markets to a wide variety of consumers. One consumer is high school teens and college age students. They have many different places where they consume the product. One of the ways in which they consume the product is in sports and entertainment areas such <https://assignbuster.com/tui-university/>

as movie theaters or sports stadiums. Another place it is being consumed is in the home. Frito Lay has focused on the snack side for many years. These are the type of people who would eat these snacks and did not care about their weight or being healthy. But recently, Frito Lay has changed to targeting more healthy consumers also. With the way the world is changing constantly, Frito-lay is always trying to keep up by targeting with the ever changing times. Because so many people are becoming health conscious, Frito-lay as also targeted this audience. They have come up with some products that allow the consumer to also focus on their health and physical appearance. In order for Frito-lay to stay competitive, it is apparent that they have to target this demographic also because in the recent years some of their snacks have been losing sales. Another of their target audience is the Hispanic market. Hispanic market are targeted because the chips can sometime be the meal or a side dish to the meal. Also this demographic is constantly growing in numbers and have become an important and influential part of society. Frito-Lay's wholesale and distribution consumers are also a major business. They are the resellers such as retailers and wholesaler who buy Frito-Lay's finished goods and resell them for a profit. Frito Lay also sells directly to large retailers and retail chains and through wholesalers to smaller retail units. Frito- Lays itself also targets big business customers of other companies. Lay's identify prospective buyers, monitor current customers' needs and levels of satisfactions, and personally attend to existing customers. Essentially, Frito lay's target consumer consists of everyone. It consists of Frito-Lay constantly changing their product to keep up with the changing taste of the consumer. In getting the product to the consumer, Frito-Lay has experienced bottlenecks. This is usually seen with

the individuals who deliver the product to the shelves. They are the individuals who places the product on the shelves for the consumer to buy. Obviously this is a very important part of getting the product to the consumer. Frito-lay found that the sales portions was hindering the driver getting the product to the stores on time. Therefore, they separated the two which helped tremendously. Conclusion: Frito-Lay's new product development, advertising, and marketing efforts continues to help them to grow in the salty snack market. Frito-Lay's measures economic activity which aids them in improving their organization. Their industrial production and manufacturing production had made them the leading snack food organization in the world. Frito-Lay continues to try and have an enormous amount of knowledge at its fingertips. It continues to ascertain seasonal local demand of each of its products and exactly how much inventory each store has at any time. By keeping track of this information, it helps to better plan seasonal and local promotions. By knowing specific inventory at each store, Frito-Lay could better plan and improve its routing and inventory systems.

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