

[EDITOR'S NOTE]

Great, Indeed

One of the aspects of being a *Beverage World* editor that I enjoy the most has to be the more hands-on, face-to-face opportunities that present themselves from time to time—that is, when I'm able to extricate myself from my desk and all of the duties inherent in putting out a monthly magazine and managing a website and conference content.

One such opportunity last month was a real treat: I finally got a chance to tour the world-famous Great Plains Coca-Cola Bottling Co. headquarters in Oklahoma City that we've written and read so much about in years past. Bottlers from all over the globe have visited the Sooner State just for an eyeful of the logistical marvel that is Great Plains.

Its zero-volume, just-in-time methodology is at the core of its best practices, as you'll read beginning on Page 32 in the article honoring the company as our 2007 Bottler of the Year.

From the busy buzz of the Customer Information Center (CIC) to the picking precision of its warehouse, it was quite easy to see why Great Plains has grown to be such a globally known superstar.

I got to spend five hours with chairman and CEO Bob Browne, for whom Great Plains is a family legacy, going back to his granddad 85 years ago. Browne walked me through the facility with such kid-in-a-candy-shop enthusiasm, introducing me to not just the other top executives, but to the folks manning the phone lines in the CIC, trafficking orders down in the warehouse and keeping the fleet moving 24/7 in dispatch. What struck me in my conversations with those associates across all levels and functions, was that each one not only demonstrated their immediate job functions, but expounded in great detail on the roles of others and how they all fit together to create the logistics juggernaut that has made Great Plains so famous.

It provided a vivid illustration of what Browne describes in the article as a company-wide mindset shift away from "command and control silos" to an understanding of the entire operational process. And every Great Plains associate who was on site the day I came to visit exuded a sense of pride in being part of a world-class operation that has garnered so much attention. And we at *Beverage World* are equally proud to add Great Plains to our Bottler of the Year tradition. **BW**



Jeff Cioletti, editor-in-chief
jcioletti@beverageworld.com

[BOTTLEROFTHEYEAR]



« THE MANAGEMENT TEAM behind the 2007 Bottler of the Year includes (l to r) VP of finance and CFO Clayton Sliger, chairman and CEO Bob Browne, VP of operations Bill McClure and VP of marketing operations Rickey Truelove.

Just Plain Great

Great Plains Coca-Cola's logistics expertise is world famous.
By Jeff Cioletti

The CEO's office at Great Plains Coca-Cola Bottling Co. has much of the usual branded paraphernalia one would expect to find in a bottler's executive quarters, but chairman and CEO Bob Browne is fairly confident that what's tucked inside a handsome wooden cabinet next to his desk is unique to his Oklahoma City headquarters. As Browne opens the cupboard, he reveals an array of trinkets from around the world, as well as a small box containing what must be around 100 business cards.

Printed on those cards are addresses in Africa, Australia, Korea, Indonesia, Uruguay and about 25 or so other countries from which more than 100 international bottlers have brought tokens of good will upon their visits to Great Plains. It was the least they could do for a bottler whose reputation for operational

[BOTTLEROFTHEYEAR]

excellence had been such an inspiration for its peers in virtually every corner of the globe.

That of course begs the question: Just what is it about this Oklahoma soft drink bottling operation—which produces most of Coke’s sparkling line and many of its non-carbonat-

Oklahoma Coca-Cola Bottling Co., in 1973 and seven years later, he and his brother, Henry Jr., put together an investment group and bought out the other remaining shareholders of the business, renaming the company Great Plains. All the while the Browne family had been buying up smaller distribution facilities throughout Oklahoma and in parts of Arkansas. One of those sites was a production center in Okmulgee, OK, about 70 miles outside of Tulsa.

“We discovered quickly that we were reaching a dilemma because we had two production centers and quite a different logistics situation,” Browne recalls. “And the proper thing to do at the time was to close down one of them and have a big plant.”

By 1990 the company had realized that closing Okmulgee was not the optimal approach. “We had sunk cost into this building that we were getting ready to close,” Browne offers.

Because of the impending plant close, Great Plains had wound down much of the production at the Okmulgee facility, transitioning many SKUs to the Oklahoma City production center. It had simplified the operation to the point that, quite unexpectedly, all of its quality ratings increased, so much so that it won a national quality award.

“We always thought that was kind of funny because we won it for the wrong reasons, because we were closing the plant,” he says. While he admits the award was a nice surprise, it wasn’t what ultimately convinced Great Plains to keep the plant open. But doing so was the beginning of what Browne calls a new “logistical game plan.”

It was then that the Great Plains mindset shifted from what Browne terms “command and control through silos” to an understanding of how the entire operation flowed. At that time the bottler developed its weekly (every Tuesday without fail, with the excep-

tion of major holidays) meeting dubbed SYSTAO—“Staple YourSelf To An Order”—which all Great Plains associates were required to attend annually. “It started out as a way to get everyone to change the paradigm from ‘I work in production’ or ‘I work in sales’ to ‘Great Plains is a process and we’ve got to understand how everything works,’” Browne explains.

Co-Workers as Customers

Part of the mindset shift that brought Great Plains to where it is today was a redefinition of the term “customer.” “We started to talk about a chain of customers,” Browne notes.



« THE LAWN DECOR at Great Plains Coca-Cola’s headquarters (top) is appropriate considering that it too has become an icon of the American West. (left) Vice president of sales and marketing Don Bischoff pauses for a refreshment; (bottom) Great Plains’ CIC operates around the clock.



ed SKUs, as well as Dr Pepper, and purchases for distribution such specialty products as Enviga, Tab Energy, NOS and Full Throttle, to name a few—that attracts so much international attention?

“Our strength,” Browne proudly reveals, “is our logistics.” And that’s why *Beverage World* is pleased to name Great Plains Coca-Cola the 2007 Bottler of the Year.

To understand how the company realized its position as a logistical leader, it’s necessary to trace its historical progression, beginning with Browne’s grandfather, Virgil Browne. In 1922, Virgil bought the Coke franchise rights and later ran the business with his son, Henry, Bob’s dad. Bob Browne had grown up working for the family business during his summer vacations.

He officially got into the business, then known as

[BOTTLEROFTHEYEAR]

"We'd say that our mission is not to make money, our mission is to take care of our customer. We quickly get into who's your customer. Somewhere in the company there's somebody you work for, and it's not your boss. If you load a truck, it's that driver. If you drive a truck, it's where you're going. Wherever

- No variation in time — Or, no variation in the process
- Short cycle time — "What's the time between when you promise and perform, when you take the order and when you deliver?" he explains.
- Fewer steps — "If you do fewer steps," Browne adds, "then it takes less time. Eliminate steps, it's just waste."

Hit Single

With all of the SKUs finding their way through the Coca-Cola system these days, it becomes increasingly challenging to get many of the smaller-volume specialty items to the market in a timely and cost-effective manner.

"You're getting things like V8, Godiva, Nestea, certain energy drinks, or maybe a peculiar size of Coca-Cola and all of your normal soft drinks," illustrates Bob Browne. "You've got items coming from everywhere and you don't need a truck of any of it, you just need a pallet of different things." So, if a bottler runs out, that SKU is going to be out of stock for three or four weeks; if it has too much of it, it's going to sit around for several months and may go out of date.

Luckily, for a handful of bottling operations in the Oklahoma-Arkansas region, there's a world-renowned bottler whose forté is solving logistical problems ready to lend a hand.

That's the thinking behind the Coca-Cola North America/Great Plains Coca-Cola Bottling Co. pilot program known as Single Source Supply, in which it brings various items to other bottlers who'd otherwise have to wait longer and spend more to get them.

Great Plains already has refined its own operation to the point that such challenges have minimal impact on its day-to-day. "For instance," offers Browne, "at our Enid, Oklahoma sales center, whatever they order for the customer for tomorrow, we fulfill that order [in Oklahoma City]. We put it on the truck and cross dock it in Enid. What we've said to the Coca-Cola Company is, 'There's no reason we can't do that for other bottlers. So instead of you sending Full Throttle and all these other things to them and instead of you telling them to call the Campbell's [V8] facility, why don't they just take it from us?'"

Great Plains charges a small handling fee. "In the order of things, we've proven it's cheaper," Browne reports. "The idea is if we can do it, why can't other people do it?"

Thus was born Single Source Supply. Great Plains now works with about a half-dozen bottlers in the several-months-old pilot program, which, Browne says, has been quite successful thus far.

"[Great Plains] really stepped up and volunteered for Single Source," recalls John Oehlke, Coca-Cola's Southwest region vp. "Knowing that we had a logistics machine in our backyard, it was just a natural fit." —JC

you are in the process, somebody's your customer."

At the same time all of the company's associates adopted the mantra that cost is a four-letter word and antithetical to capability. "Capability is measured by the customer," Browne continues. "If the customer likes it, then what you're doing is capability and that's customer satisfaction. If it's not, it's waste, so quit doing whatever it was you were thinking about doing."

Logically, it then came time to ponder the question of how to eliminate waste and please the customer. The Great Plains team discovered that it all boiled down to six "timing guidelines."

- On time — "If you say you're going to be there at 8 o'clock," Browne says, "be there at 8 o'clock, plus or minus a few minutes, not plus or minus a.m. or p.m."
- All-the-time — Great Plains now is a 24/7 operation
- Frequency — "If you go very often, then you have small batches," he notes. "We say, 'batch is another dirty word.'"

Adhering to those principles leads to a place where "that whole supply chain thing collapses and it finally gets to where you're not carrying inventory. It goes to zero."

Zero-ing In

One of the cornerstones of the Great Plains logistics strategy is its just-in-time approach to inventory: It's a case of less is more. "It's a zero-inventory game we play," Browne explains.

Each of the sales centers in Ardmore, Enid, Stillwater, Vinita and Tulsa, OK and Springdale, AR carry no inventory, while the production facilities in Oklahoma City and Okmulgee carry no more than three days' worth. "Why would you want to ship stuff to Enid, let it spend the night and then take it to a store?" Browne ponders. "Why not find out what the store wants today, put it right on the truck and go straight to the store?"

The end result, he's more than happy to report, has been lower operating expenses, fewer assets to manage and a greater return on capital.

Browne likes to use mass transportation analogies when describing the well-oiled machine that is the Great Plains distribution system. Trucks, aka "buses," are

leaving and arriving around the clock, strictly adhering to loading and departure schedules in tune with the core timing principles. "When all of the routes are running around the clock on frequency, on time, it's just like bus routes or like an airplane," he explains. "When everything is on that predictable flow, it's just the load that varies. Instead of trying to build a truck load and ship it, we have a bus that's running and whoever's ready to get on, gets on it. That kind of flow ends up reducing capital and waste."

In this age of rampant SKU proliferation, the zero inventory orientation makes handling variety simpler. Whether it's a Godiva chocolate drink, a Fuze green tea or a BooKoo Wild Berry, they're all just SKUs being picked at a central location. "We don't have them stacked up in different buildings where people have to handle it, make forecasts and guess how

[BOTTLEROFTHEYEAR]

much Godiva you want," Browne says. "Whatever you want, we bring it. We're handling it like baggage at an airport. To the porter, it's just a bag and it's got to go to Cincinnati. Only we don't have an inventory of suitcases."

In fact, a byproduct of SKU proliferation has been a competitive advantage for Great Plains. "The more variety we have, the

the CIC team to spend less time as order takers and more time as problem solvers, answering questions and reconciling what a customer is telling them on the phone with what's actually documented in the system. They also troubleshoot what the company likes to call "TGWs," ("things gone wrong").

Orders are fed through a warehouse management system (WMS) and an electronic load optimizer, which shows a virtual representation of each pallet being built and loaded. Once the last bar-coded pallet is loaded on the truck, the driver's handheld is updated with the details of everything on that vehicle, where it's supposed to go, the sequence of stops and time the driver is expected to arrive and depart from each account. In many cases, a customer anywhere in its market could have the product in hand within a few hours of the order.

The Great Plains operation long has garnered the praise of not just its peers, but The Coca-Cola Company itself. John Oehlke, Coke's Southwest region VP, was especially impressed by the company's logistical prowess during his first tour of the Oklahoma City facility. "I would ask, 'Where are you learning this, where are you getting your best practices from, within the Coke system or outside of it?'" Oehlke recalls. "And I got the same answer over and over again: 'We're really not using anyone else as a benchmark. We're using our own experiences and procedures. We're learning it and growing it ourselves.'" So, it's no surprise that Coca-Cola North America was more than eager to work with Great Plains when it stepped up recently to pilot its Single Source Supply program, through which it uses its famous supply chain expertise to bring products to smaller bottlers (see sidebar on Page 36).

"[This process] is truly what sets us apart and makes us different," concludes Browne. "We're not doing anything in production that's any different from what anyone else is doing; we're just putting stuff in bottles and checking the marketing programs that come out of Atlanta—we're not doing anything really creative there. Our job is to execute on what they come up with. So, logistics is clearly where we excel." **BW**



« THE OKLAHOMA CITY production facility (pictured) and its Okmulgee, OK counterpart maintain only three days' worth of inventory. Its sales centers throughout Oklahoma and in parts of Arkansas hold zero inventory.



harder it is for the other people to handle it, including our peers in the Coke system," he explains. "It gets a little harder for us to handle the variety, but it gets much harder for everybody else."

It's all tied together by Great Plains' Customer Information Center (CIC), its a network of customer service specialists who man the phones 24/7, with the details of every possible order at every account flowing instantaneously through their computer networks. All orders come through electronically, which enables