

Dedicated Distribution: Making the Supply Chain Work for You, Not the Industry



Brian Walker
Director of Logistics
Darden Restaurants

Abstract:

Due to continued supply chain disruption, Darden worked with existing distributors in its network to create a „new model“ for distribution. This new model, piloted in 2006 and under rollout currently, was designed to provide protection of supply to Darden, and eliminate financial risk to suppliers. The elimination of financial risk would be passed to Darden, providing a financial incentive for the network, as well.

Protection – Protection of supply came from lease mechanisms that kicked in if the 3PL managing the distribution had a financial meltdown. If that occurred, lease reverts to Darden, and a new operator is inserted.

Financial protection – Since suppliers would be dealing directly with Darden financially, a publicly traded company, the risk of loss from dealing with a privately held company was eliminated. This meant lower cost to suppliers, and financial gain to Darden.