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SafeSourcing

e-Newsletter

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[events@safesourcing.com](mailto:events@safesourcing.com)

### Trivia!

What does VPN mean?

[www.safesourcing.com](http://www.safesourcing.com)

## Industry News

### McDonald's Gets Egg in its Face

Over the next decade, McDonald's Corp. plans on using eggs from cage-free laying hens in the U.S., as well as Canada. This will have a huge impact on the North American egg industry. McDonald's purchases roughly two billion eggs in the U.S. annually and Canada purchases approximately 120 million eggs. McDonald's is considered a restaurant giant and, as such, has been criticized for its use of small cages to confine laying hens. McDonald's has announced recently that they plan on serving breakfast items all day at more than 144,300 U.S. restaurants starting in October, thus increasing their egg supply.

McDonald's is feeling the pressure to compete in the all-day breakfast market. Fast food restaurants such as Chipotle, Taco Bell, and Panera have significantly cut into McDonald's earnings. As of December 13, 2014, sales were down \$1.4 billion from a year earlier. McDonald's has claimed the breakfast menu had only been served until 10 am as they lack the grill space to convert to the lunch/dinner menu. Additional equipment, plus additional personnel may impact McDonald's profits further once their all-day breakfast is offered. ■

*Julie Jargon and Lisa Beilfull, Wall Street Journal 9/9/15*

### ConAgra's Focus on the Supply Chain

Sean Connolly, Chief Executive of ConAgra Foods, Inc. (former Campbell executive), focused his efforts on its unprofitable private-label business over the past six months. He has drastically overhauled the headquarters' operations and now plans to focus on the supply chain.

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### COMING NEXT ISSUE

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### Recent Savings

#### Private Label Nuts

Savings were over 15% off total spend. ■

#### Stretch Wrap Machines

Savings were over 27% off total spend. ■

\*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

## ConAgra...cont.'d

"In an interview on Friday, Mr. Connolly said David Biegger, a former Campbell Soup Co. executive who will join ConAgra on Monday, will lead a 'deep dive' to search for ways to increase efficiency in the manufacturing, procurement, transportation, warehousing and other functions for its retail brands."

In order to improve profitability, 1,500 office jobs will be cut and the company's headquarters will move to Chicago. Connolly indicated that Biegger held many positions at Campbell managing its supply chain. Initially, Biegger will focus his efforts on branded foods sold in grocery stores, such as Slim Jim meat snacks, Peter Pan peanut butter, and Healthy Choice frozen dinners. In order to reduce costs, excess ingredients that go to waste due to bulk pricing will be closely monitored. Emphasis will be placed on products that produce higher profit margins, such as Hunt's tomato sauce.

ConAgra's shareholders are enthusiastic with Mr. Connolly's restructuring plans. Its stock is up approximately 15% since his February 2015 appointment. ■

*Annie Gasparro, Wall Street Journal, 10/2/15*

## Dell To Purchase EMC

Dell plans to pay \$67 billion to purchase EMC and its subsidiary company VMware. EMC makes data storage products. VMware makes virtualization software that allows companies to run multiple computer systems on one computer server. With this acquisition, "Dell with EMC 'will have one of the most complete and unified portfolios, which should provide them additional reach into larger business opportunities they may have not had access to as individual companies... That combination will help Dell compete against HP, IBM, and Cisco Systems as they all try to be a one-stop shop to corporate customers.'"

Michael Dell indicated the new company will be in a better position for next generation IT growth, including digital transformation, software-defined data center, converged infrastructure, hybrid cloud, mobile, and security.

Most of EMC's value is in the 81% of VMware. The software can make a single server run tasks that previously took separate machines. This will allow great efficiency and cuts costs. It is expected this deal will close in 2016. ■

*Lance Whitney, CNET, 10/12/2015*

### QUESTIONS AND ANSWERS

**Q:** How can I subscribe or unsubscribe to these newsletters?

**A:** You can subscribe or unsubscribe to these free newsletters by simply going to our [website](#), and clicking the option "e-Newsletter" or by contacting us directly at [events@safesourcing.com](mailto:events@safesourcing.com)

**Q:** I have run events in the past, is there any chance I could be saving more?

**A:** Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

**Q:** I want to know more about what SafeSourcing does. Who can I talk to about this?

**A:** You can contact a customer services representative who can help you with any further questions by calling us at 1-888-261-9070 or by going to our [website](#) and trying our "Risk Free Trial" offer today.

### Trivia! From October 2015 Issue

What does FAST mean?

**ANSWER:** FAST is an acronym for "Free and Secure Trade." It is a bilateral initiative between the United States and [Canada](#) and the United States and [Mexico](#) that gives partnering importers [expedited release](#) at national borders when [transportation is by truck](#). It is for qualifying commercial shipments through risk-management principles, [supply-chain](#) security, [industry](#) partnerships and advanced targeting.

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