

INTELEX

CASE STUDY



**Using Technology to Take
a Bite Out of a Multitrillion
Dollar Industry**

From vegetable fields to cutting boards, HelloFresh's culinary and sourcing teams work tirelessly to ensure the entire recipe-development process is as environmentally friendly, sustainable and delicious as possible.

The company focuses on every step of the farm-to-door journey, shipping meal kits to millions of Americans, each filled with all of the ingredients necessary to prepare three to five different meals. When families are counting on you for dinner, an unreliable supply chain is not an option.

HelloFresh, the leading global provider of fresh food at home, turned to Intelix, the global leader in environmental, health, safety and quality (EHSQ) management software, as part of the company's journey to optimize customer experience and improve supplier relationships. The Supplier Quality Management Team at HelloFresh is using Intelix to follow documentation requirements, conduct audits and follow up on supplier corrective actions to ensure families across North America can whip up delicious dinners.

"The partnership between HelloFresh and Intelix has given us the opportunity to take an out-of-the-box tool and mold it to our needs," said Tim DeWolfe, Associate Director, Quality Systems at HelloFresh. "Through the last two years with Intelix, we've set up a document management system that supports Safe Quality Food (SQF) requirements. We've transitioned from a costly supplier management tool that lacks internal oversight to true internal Supplier Quality Management with audit functionality with Intelix, allowing us to focus time and effort to implement real corrective actions for some of our recurring problems."

HelloFresh Strives for Industry Leadership

It's estimated that 40 percent of the food supply in the United States goes to waste because of over-portioning and wasteful distribution. Because of the attention to correct portioning, HelloFresh reduces your dinner food waste by at least 21 percent, resulting in a staggering reduction of food waste each week. ([HelloFresh Global Food Waste Study](#))

HelloFresh has over 2,500 employees in the United States who provide millions of meals that are carefully planned, carefully sourced and delivered to the front door of each subscriber at the time most convenient for them. Behind the scenes, a huge, data-driven technology platform acts as the engine that drives the business. This allows them to consistently manage supply chains and demand, and to optimize the customer experience as well as their business.

In 2017, HelloFresh became the first meal kit company to be [SQF \(Safe Quality Food\) certified](#) at all locations. This initiative required the backing of the director of quality, VP of operations, COO, CEO and president. When it was completed, it was celebrated throughout the company, since multiple functions beyond food safety were involved. The SQF certification was important to the company because it provides a competitive advantage, provides a framework for food quality efforts and helps DeWolfe and the Quality team organize priorities.

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By reaching SQF certification, the company is going above and beyond industry standards, anticipating future needs and requirements.

Since “meal kit” is not a defined food area included in SQF requirements, DeWolfe said the company not only is doing what it needs to do to maintain food safety, but is anticipating what will be the regulatory process for safe quality food for meal kits in the future. By engaging early in the regulatory process, the company is positioning itself ahead of its competitors and building a strong foundation that will set it up for years to come.

Keeping the Supply Chain Fresh

HelloFresh has a unique business model in that the company works with hundreds of suppliers and its product—meal kits—is perishable.

“The most essential part of this process is that procurement, quality, culinary and menu planning are constantly working together to ensure menus are designed to optimize seasonality. Then, on the back end of that, procurement is working with suppliers to get the highest quality product, followed by receiving inspection verifying incoming product to standards above and beyond regulatory requirements,” said DeWolfe.



HelloFresh customers can choose from over 20 weekly recipes with the option to add “extras” like garlic bread, quick lunches or desserts. When customers sign up for HelloFresh, they choose the number of meals they’d like, how many people the meals should serve (2 or 4) and if there are any diet/cooking preferences (calorie smart, 20-minute meals, vegetarian and more). After customers choose their meals for the next week, they have up to 5 days before receiving their box to make changes to the order.

“Once that timeline is up, your box hits our queue,” said DeWolfe. At that point, employees know the quantities of the various ingredients to procure for the following week. All of the ingredients for the meats and produce are received fresh to HelloFresh distribution centers. Through the magic of technology, the number of total recipes is calculated and the meal kits are assembled. “In less than 24 hours, your box goes out with our major logistics partners,” he added.

Several years in, HelloFresh is a leading meal provider and continues to grow its customer base and expand its supply chain, but the process has not been without some pain points.

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Pain Points: Start-Up to Industry Leader

According to DeWolfe, the biggest pain point experienced by HelloFresh was embracing its growth and getting past the idea that it is a small startup. This meant enhancing its approach to processes, standard operating procedures (SOPs) and corrective actions for nonconformances.

He said HelloFresh was attracted to Intelex because the system provides a framework but also allows a lot of personalization. He noted an abundance of great functionality is available within the Intelex solution, but as with any new tool, the key to success and optimizing value is getting buy-in from cross-functional teams, which depends heavily on ease of use. "The personalization in Intelex allows for ease of use, without deleting functionality," DeWolfe added.



HelloFresh uses a number of Intelex applications, including [Document Control](#), [Supplier Relationship Management](#), [Inspection Management](#), [Nonconformance Reporting](#), [Corrective Action Reporting](#) and modules related to [health and safety management](#). The next wave of modules the company plans to onboard includes [Training Management](#) and [Customer Complaints](#).

Intelex Document Control delivered significant value to HelloFresh from the early onset. The Document Control module is used by all production employees and is the hub for the company's SOPs. It's the place where employees go to receive training on the processes that influence their jobs.

According to DeWolfe, it was easy to implement, provides structure for sign off and review and was "instantly" seen as a success during the pursuit of the company's SQF certification. Teams were able to find documents quickly during the SQF audit.

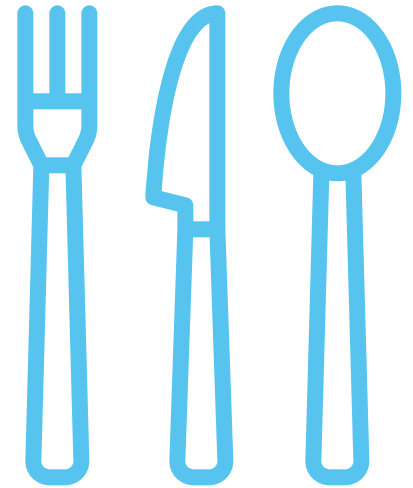
DeWolfe calls the Inspection Management module “very, very easy” to implement, assign and use. It is used by food safety, warehouse, quality and production employees. As a requirement of SQF, the company has daily, weekly, monthly and quarterly checks that must be completed, and Intelix allows HelloFresh to easily satisfy this requirement. The company also uses the Inspection Management application to conduct supplier quality and food safety audits.

“We have been using this for required food safety audits, and since the inspections all stay archived within the system, they are easy to find for audit purposes,” he added.

The most recent push was to improve supplier quality processes. The main users of the Supplier Relationship Management module are quality and food safety teams, who use it to ensure all documentation and any supplier corrective action requests (SCARs) are completed. Suppliers are given direct access to the module, where they can upload documentation and answer any corrective actions. The results have been impressive, said DeWolfe, “We’ve reduced supplier costs from \$1,000 per year per supplier to \$300 per year.” When you have over 600 suppliers, this results in significant cost savings in a year.

Although use is predominantly procurement- and price-driven, DeWolfe feels that with a tool like Intelix, the Quality Management System (QMS) has matured enough that HelloFresh now can focus on the food quality/food safety side.

The next step for the quality team, says DeWolfe, is to foster employee engagement with the Intelix tools.



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Engaging Employees in the Quality Process

While the process has been driven from the top down and usage has been process-driven, DeWolfe said it is becoming a daily practice for employees. The executive vice president for fulfillment is driving the usage of systems, and by transitioning SOPs and weekly documents into Intelix, it encourages user adoption by employees.

The company's next big implementation focuses on getting employees more familiar with the task manager. "Since multiple functions are starting to use a broader range of applications available in the solution, with a high focus on action resolution, we need to transition the mindset from opening Intelix every other day to checking Intelix multiple times per day," said DeWolfe.

DeWolfe said the company continues to educate employees as new functions and applications are added. DeWolfe's goal is to ensure that employees understand the potential value the solution can bring to their jobs. "We plan to do tours where we will hold lunch-and-learns followed by weekly follow-ups on tasks," said DeWolfe. The more employees understand the value of the system, the more likely they are to use it and the more benefit the company as a whole will experience, he added.

DeWolfe believes that by using the Intelix Task Manager every day, employees will get into the mindset of assigning and completing tasks.

"The first thing that every person should be doing is checking the Task Manager," he added. "To me, this brings the one-off mindset of 'we have a quality system' to the sustainable mindset of 'we use a quality system.' We are currently very application-specific, and certain people learn modules but never dig into others. We want Intelix to be their go-to, every day."

Business Is Booming

The future looks green at HelloFresh, in more ways than one.

Habits formed during the COVID-19 pandemic and quarantine, including more at-home cooking and ordering groceries online, have contributed to a huge uptick in business for HelloFresh both in the United States and worldwide.

As reported by HelloFresh in its [Q2 earnings report](#) and other sources, the number of orders and revenue more than doubled year-over-year (YOY) for the company. Its quarterly revenue grew 123 percent YOY and customers around the globe placed 18.1 million orders in Q2 2020, which corresponds to an increase of 103 percent YOY. Despite temporary capacity constraints, HelloFresh was able to grow its active customer base by 74 percent YOY to 4.18 million.

“The growth we’ve been seeing in the last months has been exceptional, as both new and existing customers have made HelloFresh their go-to choice for cooking at home. I am proud that we could validate our customers’ trust as reflected in high recurring order rates and larger baskets than ever. We see clear indicators how customers have started to form new habits and expanded their share of weekly HelloFresh meals as they are spending more time at home”, says Dominik Richter, co-founder and CEO of HelloFresh.

The company’s efforts to sustain business continuity have been rewarded, and tools like Intalex have helped the business thrive even in uncertain times. HelloFresh has been able to mitigate the impact of the COVID-19 pandemic on its supply chain because of its diverse number of suppliers and its management of its supply chain.

The supply chain is not the only focus of the company’s sustainability efforts. Sustainability in general is an important aspect of business at HelloFresh. The company has instituted several initiatives that target waste reduction, including using only lightweight packaging, avoiding heavy or excessively large packaging and using recyclable packaging and materials whenever possible. The company uses data analytics to predict customer orders to minimize food waste throughout the supply chain. And in August 2020, HelloFresh announced a new initiative to offset 100 percent of its carbon emissions globally, making it the first global carbon-neutral meal kit company.

DeWolfe says that “leadership and opportunity” drew him to HelloFresh, while the opportunity to really drive quality improvement and build culture keeps him there.

Great leadership has resulted in an “incredible” culture at HelloFresh, said DeWolfe, adding: “Everyone at this company has a drive to provide customers with the best experience possible and you can feel it every day (in the office or not). The last and final driver for me is that I feel that we are trying to change the model of the food industry. Grocery stores waste more than 40 percent of food; we greatly reduce that.”



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Since 1992, Intellex Technologies ULC has been recognized as a global leader in environment, health & safety and quality (EHSQ) management solutions. Its innovative SaaS platform has helped clients around the globe improve operational performance, mitigate organization-wide risk, and ensure compliance.

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