



nelson®

# TRENDS THAT MATTER

Design to Value (DTV)  
for Your Success

# DESIGN TO VALUE METHODOLOGY

Helping brands deliver optimal value-added nutritional products to their target: wellness-minded consumers.

Along with consumer demand, rising costs and a challenging supply chain environment are also 'trending' in today's wellness market.



Design to Value (DTV) is an agile cross-functional development process focused on innovation and customer value. It helps deliver improved products and cost optimization approaches for long-term profitability in a competitive market..

## More about DTV

DTV helps optimize value by driving decisions that incorporate top-level strategy, perceived value for the customer and congruent product development choices, as well as the underlying processes along the supply chain.<sup>4</sup>

DTV can be a powerful tool for any product developer trying to balance costing pressure with the needs of the consumer<sup>5</sup>—especially when faced with potential declining product sales and margins.<sup>2</sup>

## Why DTV Matters:

**80%**

of a product's cost is determined in the early design stages of the product development process<sup>1</sup>

## DTV Can Achieve:

**10-15%**

reductions in product development costs and the 'cost of goods sold'<sup>2</sup>

**10-25%**

typical gross margin improvements for packaged foods<sup>3</sup>

# DESIGN TO VALUE PARTNERS

Nellson is a full-service bar and powder nutrition provider and co-manufacturer committed to design-to-value principles that benefit our customers.



## Superior Supply Chain Management

**How do we reduce overall supply chain costs to help increase customer profitability?**

We manage and mitigate supply chain challenges with our understanding of market variables and strategies to reduce risk exposure, including vendor stocking agreements and blanket purchase orders. We also optimize supply chain considerations with tools such as our supplier scorecard program and raw material qualification program.



# STRATEGIC SOURCING TEAM

At Nellson, our strategic sourcing team works across competencies and departments to leverage consolidated purchasing power for supply and price.

## Our diverse sourcing team:

category experts  
pricing analyst  
material managers  
local buying specialists

Our customers also benefit from supply and risk management capabilities including:

- Firm contracts
- Indexed pricing (commodity-specific)
- Supplier-managed inventory/floor stock
- Customer stocking agreements
- Commodity market insights

Our fully developed supplier relationships give us the ability to source alternative components for reduced lead times.

## What Sets Nellson Apart

Collaboration and transparency with our customers go hand in hand, as we share:

- Forecast variability analysis
- Risk management strategies
- Ingredient sourcing

We create design-to-value benefits for our customers, by employing:

- Open communication with suppliers, logistics partners and customer
- Process-driven project management throughout the manufacturing process
- Consistent monitoring of changing requirements, timing and logistics challenges
- Efficiency improvements, such as moving to automated production lines in response to labor shortages

Nellson can help nutritional bar and powder brands continue to deliver cost-effective products that consumers love.

# INNOVATION & EXECUTION

Nellson is with you from concept to creation, whether you have a new concept, want to grow your offerings, or want to refresh, reimagine or level up your existing bar or powder.

## FLASH

FORMULATION LIBRARY AND SPECS HUB

Our new Formulation Library and Specs Hub (FLASH) system also helps smooth your path to market with formula versioning, regulatory compliance, audit reports and customized reporting.



We make it happen with the industry-leading in-house R&D expertise, 60+ years of experience and capabilities to support your market opportunities, as well as the quality standards, supply chain and responsible sourcing to contribute to your success.

**Let's get started, today!**  
**Contact Us**

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## SOURCES

- <https://www.apriori.com/blog/what-is-design-to-value-vs-design-to-cost/>
- <https://www.linkedin.com/pulse/design-to-value-5-step-approach-build-better-products-michael-d-heur/>
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- <https://www.bcg.com/publications/2016/procurement-operations-design-value-advantage-developing-winning-products-best-economics>
- <https://www.sectiontwentytwo.com/news/2019/5/18/design-to-value>