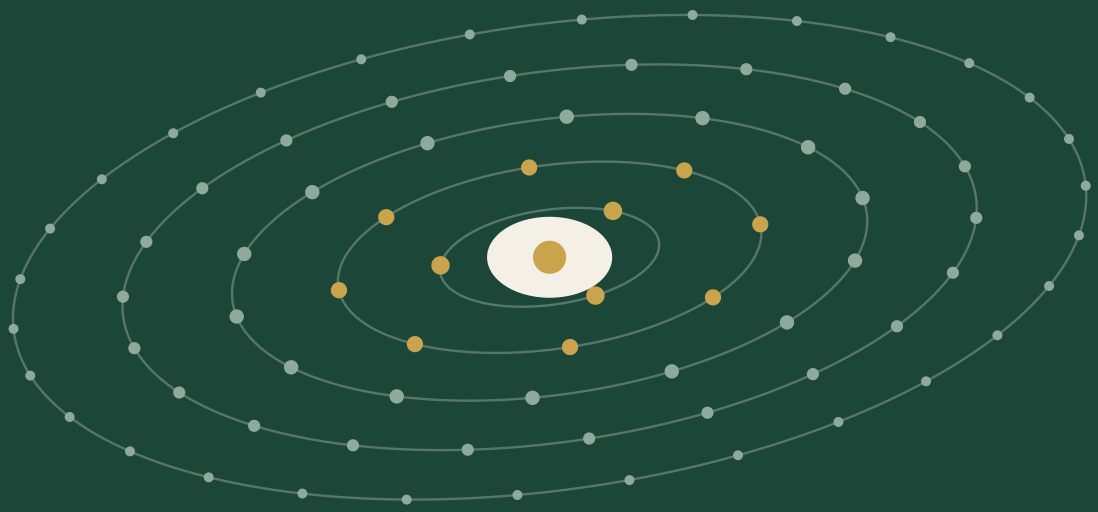
NAVIGATE INSIGHTS • NO. 02 • NOVEMBER 2026

FREE TO SHARE

The hidden cost of complexity

Too many products, packs, suppliers and workarounds add cost that never appears as one line in the accounts. Simplifying behind the scenes is often the cheapest saving available.



ONE NEW LINE • MANY KNOCK-ON COSTS

Illustration: one decision, with costs spreading outwards

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knock-on costs from one new pack size, from changeovers and codes to stock and cash tied up. Few show in the accounts.

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INSIDE

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3 Four places complexity hides, with quick tests

4 The long tail and a six-question health check

5 Five checks and a rule for new lines

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Strategic consultancy for UK food and drink

HOW IT CREEPS IN

Every new line has a ripple

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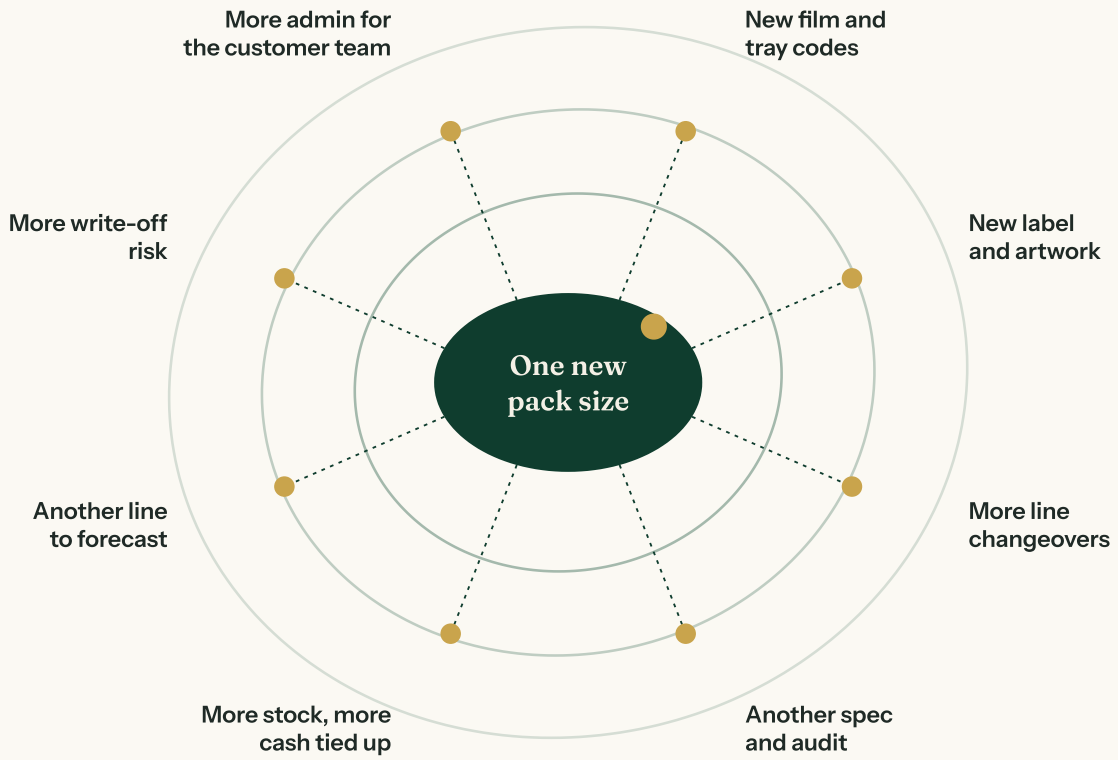
Complexity builds up one sensible decision at a time. A new pack wins a listing, a second supplier secures supply, a customer asks for its own label. Each is justified when it is made. Few are reviewed once the range has grown.

ONE NEW PACK SIZE, EIGHT KNOCK-ON COSTS



WHO CARRIES THE COST

98.8%

of UK food and drink manufacturers are small or medium-sized. Most run with lean teams and little spare capacity.

Defra, Food statistics in your pocket (2025 data)

> **Complexity has no line of its own in the accounts. Its cost is spread across all the others.**

WHERE IT HIDES

- Shorter production runs and more changeovers
- Slow-moving stock and the cash tied up in it
- Staff time spent on exceptions and workarounds

Four places complexity hides

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Complexity builds up in four areas. Each item is easy to justify on its own. Together they add cost across the whole business.



Range and products

Every extra product means another changeover, another short run, another set of labels and specifications. Standard costs spread that effort evenly, so the tail often looks more profitable than it is.

WARNING SIGNS

- Short runs and frequent changeovers
- Products nobody wants to be the one to delist

QUICK TEST
Rank every product by real margin after changeovers and waste.



Packaging and ingredients

Three near-identical trays, five shades of the same film, a special ingredient used in one recipe. Each brings its own order, minimum quantity, stock and write-off risk.

WARNING SIGNS

- Codes used in only one or two products
- Minimum orders that leave you over-stocked

QUICK TEST
Count your packaging and ingredient codes, and mark the one-offs.



Suppliers

Spend spread across too many suppliers means less buying power, more audits and more invoices. A second source makes sense for critical materials. For the rest, fewer suppliers usually cost less.

WARNING SIGNS

- Similar items bought from several suppliers
- A long list making up the last 10% of spend

QUICK TEST
List suppliers by spend and see how many share the last 10%.



Processes and systems

A spreadsheet to cover a gap in the system, a manual approval nobody remembers adding, three people re-keying the same order. Each one adds time, errors and delay.

WARNING SIGNS

- The same data typed in more than once
- Steps nobody can explain the reason for

QUICK TEST
Walk one order from receipt to invoice and count the hand-offs.

CHECK YOURSELF

The long tail and a health check

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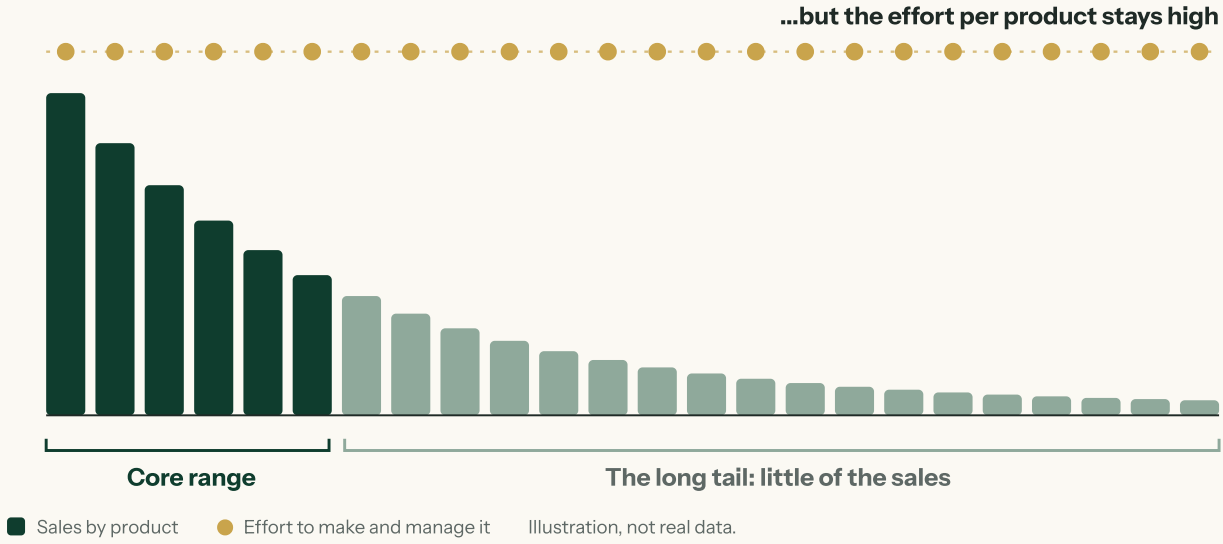
THE LONG TAIL

In most ranges we have worked with, a long tail of products brings in a small share of sales and takes a large share of the effort. Every product needs a changeover, a specification, stock and labels, however little it sells.



COMPLEXITY HEALTH CHECK

Tick each statement that's true for your business.

- [ ] We've added more products than we've removed in the last two years.
- [ ] Some packaging or ingredient codes are used in only one product.
- [ ] We buy similar items from several different suppliers.
- [ ] Our standard costs share overheads evenly across products.
- [ ] Orders pass through at least one spreadsheet before they're invoiced.
- [ ] A new product doesn't have to meet a margin target to be launched.

0 to 1 ticks

Lean and focused. Keep a rule for new lines so it stays that way.

2 to 3 ticks

Complexity is creeping in. Pick one area and simplify it this quarter.

4 to 6 ticks

Complexity is a significant cost. Review the range, suppliers and processes together.

WHAT TO DO

Simplify behind the scenes

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SIMPLIFY WITHOUT LOSING CUSTOMERS

Cutting the range is not the only answer, and done badly it loses sales. The larger saving is often behind the scenes, with no change to what the customer sees.

What the customer sees

STAYS THE SAME

- The same choice on the shelf
- The same quality and service
- A good alternative for anything that goes

Behind the scenes

GETS SIMPLER

- Common packs and shared ingredients
- Fewer specifications and suppliers
- Simpler order rules and fewer workarounds

THIS MONTH: FIVE CHECKS

1. **Rank the range**
   List every product by sales and by real margin after changeovers and waste. Look hard at the bottom fifth.
2. **Count the components**
   Count packaging and ingredient codes, and mark those used in only one or two products.
3. **Map the suppliers**
   List suppliers by spend. How many make up the last 10%, and what does managing them cost?
4. **Walk one order through**
   Follow a single customer order from receipt to invoice. Count every hand-off, re-key and workaround.
5. **Set a rule for new lines**
   Agree what a new product must earn, and how long it has, before it joins the range.

A SIMPLE RULE FOR EVERY NEW LINE

Margin it must earn • **Volume** it must reach • **Time** it has to get there • **Review** keep, fix or go

Agree the first three before launch and review on the date you set. That stops the tail growing back.

SOURCES (opened 20 November 2026): Defra, Food statistics in your pocket, updated 29 July 2026 (gov.uk/government/statistics/food-statistics-pocketbook); business counts from the Department for Business and Trade, 2025. Charts marked as illustrations do not show real data. Contains public sector information licensed under the Open Government Licence v3.0.

GET IN TOUCH

Talk to us. The first call is free.

Tom Baker and Amanda Wright founded Navigate in 2026 to help food and drink businesses improve, grow and succeed, using what they learned in 50 years of running them. If this guide sounds like your business, book a call.

FIRST CALL, FREE

An hour on Teams about your pressures and plans. We will tell you plainly whether we can help.

AN HONEST VIEW

Whether we can help, or more scoping, still free, if it isn't clear yet. We work from the data you already have.

THE WAY THAT FITS

Fixed fee, shared savings or a monthly retainer: we agree the way of working that suits you best.

Amanda Wright

CO-FOUNDER & COO

Hands-on food and drink director with 25 years across procurement, supply chain and operations, most recently at board level, managing up to £300m of direct spend.

Tom Baker

CO-FOUNDER & CFO

Board-level finance and strategy director with 25 years in food and drink. Turnarounds, acquisitions and investments delivered across the UK and Ireland, Asia, Africa and the Middle East.

WHAT YOU CAN EXPECT

- You work directly with both of us, with no hand-offs or junior teams.
- Actions your team can own, not a report that sits on a shelf.
- We tell you what we find, including what you may not want to hear.

Our success is linked to yours.

hello@navigateconsultancy.co.uk

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