

Food Manufacturing: – Logistics Network Re Alignment & Value Release

Background

- Innovative food company had grown rapidly and had ended up with complex logistics processes
- Company needed help to see the wood for trees and align on the right network for future

The Issues

- Multiple handling processes and logistical flows
- Multiple supplier arrangements leading to questions over value for money
- Continental & customer boundaries leading to necessary complexity in solution
- Strong growth plans for the future needing a solution that was resilient to growth
- Management team stretched and unable to find space to consider the right options

Actions Taken

- Delivered pilot financial study that benchmarked current costs & processes
- Identified size of prize to realign logistics processes & what was needed to make it happen
- Presented and gained agreement at group board to proceed to implement
- Conducted multiple supplier selection process across UK & France
- Set up internal selection team & short listed suppliers engaged in detailed review
- Negotiated individual contracts with selected suppliers
- Set up new Logistical KPI's dashboard to enable business to track delivery

Results

- Pilot study identified potential 20% saving pa (in excess of £0.5m)
- Implementation and supplier selection delivered on time and to targeted savings
- Management team left with clear owned action plan to deliver further £200k savings
- Business team finally aligned on best logistical processes for the future and able to continue to focus on growth plans