

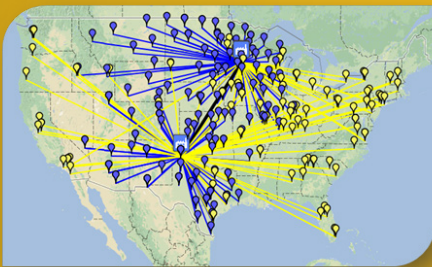
CASE STUDY

SUPPLY CHAIN OPTIMIZATION

INDUSTRY: FOOD AND BEVERAGE

\$2.02M TOTAL LOGISTICS COSTS SAVINGS

OPTIMIZE SUPPLY CHAIN NETWORK MOVING RAW MATERIAL FROM SUPPLIER TO DELIVERY OF THE FINISHED PRODUCT TO THE END CUSTOMER WITH MINIMUM WASTE.



Current State:

Network Complexity

Distributing food products through three brand divisions had created a complex end-to-end supply chain network for a food and beverage manufacturer.

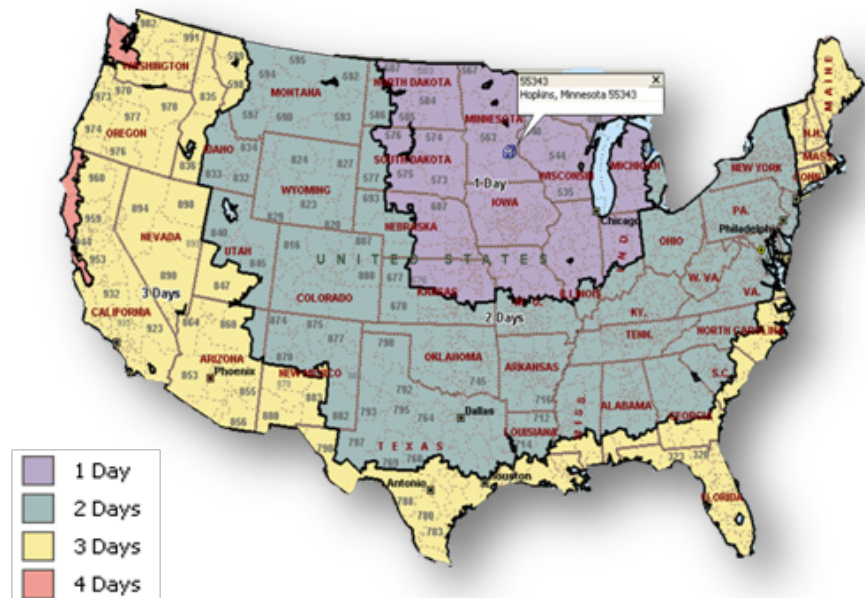
As an organization committed to a culture of employee safety, continuous improvement and customer value, it was evident the client needed to optimize its network in order to achieve these goals.

Faced with a large amount of waste in moving products and information, the client recognized many areas for improvement within its supply chain.

Wasteful processes were causing:

- Excess Inventory
- Inaccurate Data
- Lack of Visibility
- Low Flexibility
- People Capacity Challenges

Current State Network Maps



The customer lacked the bandwidth and capability to conduct a thorough analysis.

As a result, they partnered with LeanCor Consulting to conduct the analysis and provide optimal recommendations.

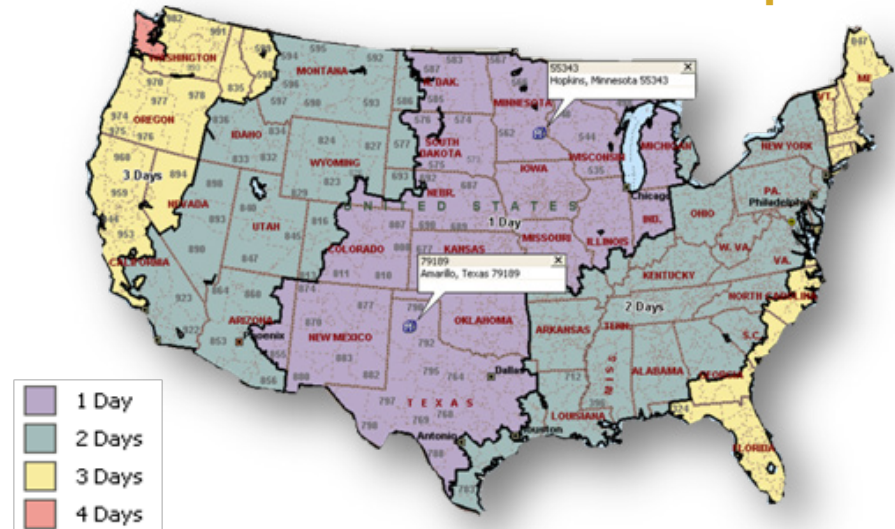
Ideal State:

The Analysis

The LeanCor team analyzed the network by visiting the manufacturing plant and remote storage locations (regional distribution points). The analysis included:

- Total Logistics Cost (TLC) template to understand total cost of fulfillment
- "Quick wins" from transportation network design, inventory rightsizing (min/max), inbound transportation, and backhaul optimization
- Tools such as Failure Mode Effect Analysis (FMEA), Lean Readiness Checklist, Implementation Timeline, Organizational Chart, and Technology Gap Analysis
- Ideal state multiple scenario analysis including; greenfield analysis, transportation network design, inventory optimization, lean warehouse implementation, etc.
- Recommendations for new distribution and manufacturing locations with a 1-3-5 year strategy development and cost summary

Future State Network Maps



Results:

Bottom-Line Impacts

LeanCor recommended a scalable solution to create a robust and visible end-to-end supply chain.

Ultimately, the project allowed the client to reduce total cost from a holistic point of view, improve service to its customers, and support its commitment to achieve future revenue and cost saving goals.

\$2.02 MILLION
total logistics costs savings

\$475K

inventory reduction

8,683 miles/week

reduction from manufacturing to DCs

20%

increased delivery coverage (99%)