



CASE STUDY

Supply Chain Network re-design and Transformation with Cost Optimization

The client is a leading global manufacturer of hygiene and apparel products

Executive Summary

This global manufacturer required optimization of supply chain network to beat the challenge of high distribution cost, suboptimal machine usage and limited opportunities to invest in new facilities.



Client Challenges

- High cost of transportation and distribution due to lack of planned operations
- Low visibility of machine production status leading to suboptimal machine usage
- Limited view on the opportunity to invest in new facilities (delivery centers, warehouses) or close existing facilities



Our Solution

- Assessment of the existing distribution side of the supply chain and creation of a baseline model of the distribution operation and validation by comparing the model v/s the actual KPIs of existing operations
- Provided the optimal production mix in each of the plants to operate at the least cost
- Identified the best transportation mode for each lane, thereby reducing the carbon footprint of the overall transportation network
- Identified the risk of operating with existing low-utilization warehouses, resulting in cost savings on underutilized assets
- Suggested potential locations of new Distribution Centers showcasing opportunity of shipment consolidation reducing overall transportation cost
- Identified the best inventory policy for various product segments to maintain maximum service level



Results

30% saving in transportation cost due to the optimized transportation plans

> 96% utilization of machines enabled by advanced planning capabilities

Realigned warehousing capacity across the network by a **25%** reduction in overall capacity

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