

New products, new customers, new channels – A paradigm shift in the Supply Chain

Our client was faced with three major changes in their business: A technology shift increased demand for innovative new product lines and equally significantly reduced demand for its traditional products catalogue. The new product lines are sold to a new customer base and through new sales channels which demand higher service levels, better merchandising and continuous cost reduction. The emerging market has also attracted new competitors.

The Client

- Consumer goods; markets are in Europe and North America
- Turnover: approx. \$10 million
- No. of employees: approx. 150

The Objective

- Review Supply Chain activities and objectively measure the costs to serve different markets through different channels.
- Identify opportunities to improve Supply Chain performance, responsiveness and reduce costs.

The Solution

- Consolidate all Supply Chain activities into one Customer Service Centre that supports all sales channels.

The Client Benefit

- The increasing sales volumes are serviced by a reduced number of staff.
- Increased volumes are distributed at better rates with fewer partners.
- The re-engineered materials handling fleet is operating at lower costs and better utilisation.
- The modular Supply Chain processes can be quickly combined to service new customers, channels and markets.
- Brand and logistics strategy are aligned to ensure profitability from mass merchant retailers.
- Increased sales and reduced returns through more flexible packaging.
- New channels were developed to market to facilitate cross selling.
- Key Performance Indicators were introduced at managerial, supervisory and operational levels.