

New facilities, new processes and new providers – will they work together on time?

Our client was faced with three major changes in their business: Work was well underway for a new 150,000ft² logistics centre that would consolidate inbound flows of major components and other parts for JIT delivery of bill of material kits to four production areas. The logistics centre would also process all production before distribution to customers across the world. Commercial contracts with off-site providers of storage and handling would end in 12 weeks. The client had decided to sub-contract a significant proportion of the logistics centre operations to a third party provider who was already providing other Supply Chain services.

The Client

- Capital Engineering; HQ in the United Kingdom
- Turnover: approx. \$9.9 billion
- No. of employees: approx. 20,000

The Objective

- Revision of the current plans, process design and volume assumptions against the proposed solution to identify operational and commercial risks.
- Identification of opportunities to improve Supply Chain performance, responsiveness and reduce costs.

The Solution

- Improvements to the logistics centre design were identified that could be incorporated into the building timetable and the procurement cycle for major components.

The Client Benefit

- Simplified layout speeds up flow of materials and improves sight lines.
- Rationalised racking specification increase capacity by 6% and the flexibility of storage options at no additional cost.
- The transit distances are reduced for JIT delivery.
- Dedicated space is available in the new layout for value added processes.