

## *Off shore sourcing – the impact on domestic logistics*

Our client needed to assess the potential impact of significant choices in their supply chain operations. If production was moved off shore what would be the impact on their national distribution operations? Should the national distribution centre be moved from the present location, if so where? Would additional changes be needed in their networks as their markets changed over the next 25 years?

### The Client

- International company manufacturing and distribution heavy industrial products
- Turnover: approx 17.5 billion euros
- No. of employees: approx 67,000

### The Objective

- Carry out an assessment, which included modelling the clients' domestic and international manufacturing outputs as well as national distribution.
- Testing the commercial impact of the strategic options including their individual, phased and aggregate impacts.
- Establish “as-is” scenario as a baseline against which other options were evaluated.

### The Solution

- Recommendation to retain the existing national distribution centre for the time being.
- Identification of the best area to move the centre to when a determined proportion of the manufacturing had moved off shore.

### The Client Benefit

- Objective confirmation of the value of existing distribution network.
- A road map is available showing the strategic investments required as proportionately more manufacturing was moved off shore.
- Utilisation of a new modelling tool to analyse the transport data and graphically represent the results.