

# Case Study

ImpelPro SCM Solutions Pvt. Ltd.

November-2012

## Project background:

Client had 6 manufacturing locations, 8 distribution centers, 250 + refrigerated delivery vehicles, 300+ SKUs, 4000 drops and 50,000+ Kms distance covered per day.

A distribution center (DC) used to receive products from multiple manufacturing locations having low shelf life, highly specific delivery schedules and empty trays reverse logistics were some of the other features.

ImpelPro's engagement was for:

- Complete overview of DC infrastructure, operational and transportation activities.
- Study, design & recommend solutions to improve overall operational efficiencies and cost reductions.
- Implementation of identified recommendations.

## Project methodology:

The project was led by ImpelPro's senior & supply chain expert director. He was assisted, both on-site and off-site by a team of senior executives with specialization in supply chain, IT, commercials, engineering etc. In addition, other executives were deployed, on site, considering the span of review, geographical coverage and agreed timelines.

Team first got business overview and then an understanding on products, client's profiles & expectations, competitions, marketing, commercials their business review system. Team then conducted in depth study of existing facilities, layout & design, operations, processes & efficiencies. Team also visited all the operating locations, discussed with functional heads, studied the processes and compared performances with expectations. Team even accompanied deliveries to the clients to understand ground realities.

## Supply Chain Restructuring

....

A case study of a major UK based manufacturer of chilled food products – ready-to-eat sandwiches - who wanted to take an overview of his existing supply chain and suggest & implement various solutions which will optimize his DC & delivery operations and bring in cost savings.



As an outcome of the studies, ImpelPro identified and recommended following six cost savings projects to the client:

1. Fuel efficiency
2. Vehicle routing using available TMS
3. Replacing packing cartons with plastic crate for packing
4. Crate tracking & control – returnable management
5. Fleet – lease charge re-negotiation & truck optimization
6. Control mechanism on inventory shrinkage

ImpelPro also recommended Financial MIS and KPI reporting for distribution function.

These six projects costs savings totaled up to 8% of the total distribution cost, which was very significant figure.

### **Project impact:**

Out of the six identified projects, client decided to implement three projects consideration their business priorities with the help of ImpelPro.

- Through trip wise vehicle tracking, proper controls were defined & established on fuel consumption, driver performance resulting in major saving in transport operating costs.
- Efficiency was brought in by network redesigning and new route recommendations, resulting in reduction of routes and thereby bringing in permanent costs savings.
- Recommended Trays tracking system brought in visibility of tray usage and stocks across DCs and manufacturing locations resulting in optimal inventory, trays availability and reduced leakages.
- Visible efficiency and achievements across organization created a sense of healthy competition among DCs & drivers resulting in “can-do-better” attitude.
- Activity based DC wise MIS & KPI helped in pinpointing inefficiencies and taking corrective actions.

ImpelPro spearheaded execution and ensured projected savings and their sustainability. On-site implementation lasted for over 3 months and further 3 months off-site monitoring was provided.

**Total annualized recurring savings from the implemented projects worked out to 4% of the total distribution costs.**

**Client recognized ImpelPro’s efforts & successful closure of the project.**