



āgilitiĉš, vbl. phs.- the ability to develop and implement agile logistics solutions tailored to a specific clients need. (aust) 2002

Supply Chain Analysis

In mid 2002 a major international manufacturer and distributor initiated a total supply chain review for its Australian Operation. The review involved over 40 retail/operational sites and included functions such as transport, warehousing, distribution and manufacturing.

The review lasted for 3 months with a specific focus being placed upon inventory analysis and reduction and location rationalisation. The task involved a major review of all operational locations in all states as well as the Manufacturing and Distribution facilities located in Melbourne.

The project identified a number of key outcomes. These included;

- Reduction in inventory of 10% (A\$900,000);
- Reduction in the number of stocking locations;
- Reduction in the number of vehicles required to service the business; and
- Innovative use of transport providers to reduce lead times and inventory holdings

One of the key outcomes developed from the review revolved around a process where mobile inventory, resident in vans was replenished directly from the Central Distribution Centre located in Melbourne. This reduced the need to hold high levels of inventory in both regional centres and capital cities while at the same time improving responsiveness and customer service.

This process in itself was innovative in that it allowed for inventory to be picked in discrete lots for a particular service van and delivered to a convenient and secure location for the van to pick it up. Not only did this reduce the level of inventory carried nationally it considerably reduced the distance travelled in the replenishment cycle by the van.

The client has to date implemented many of the recommendations with considerable benefit and this has delivered a range of ongoing savings.

Agile ▶ Integrated ▶ Executable ▶ Supply Chain Solutions

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