

CASE STUDY

PROJECT SPECIFICATION

Warehouse transition and merge
(France - The Netherlands)

INDUSTRY

Consumer goods / Toys segment

GOAL

To achieve supply chain costs savings and EU market service compliance, company decided to merge French and EU warehouses, with transition of the French inventory from warehouse in Paris area to the Netherlands, including all related business procedures. The brief was to manage contractors and inventory transition without any operations close up.

SUMMARY OF MAJOR PROJECT TASKS:

- to adapt SAP processes to planned change (S&OP cycle, purchase, containers fulfillment planning, plant and storage location re-set up, distribution point change, customers orders placement, inventory management, billing, etc..)
- project preparation with two 3PL subjects involved (overseas freight and customs brokerage on one side, as well as whse and freight out provider)
- incoming inventory flow - purchase consolidation, overseas freight redirection management (from Far East to Rotterdam, instead of previously used Antwerp)
- warehouse and orders fulfillment procedures alignment (French and EU customers orders processing)
- orders picking customized to French customers shipping specifications
- freight out to customers reorganization according to new leadtimes
- rework process update (retail displays assembly consolidation, 10.000+ retail dospays assembled later during the next year)
- cross-borders project tasks coordination with departments of Orders processing (Paris), Planning and Logistics (Bratislava), IT support (Toronto), 3PL (The Netherlands)
- physical inventory move (trucking of 2000 pallets)
- both KPI sets adaptation

PROJECT OUTCOMES

- systems project tasks (SAP and EDI) prepared and tested on time
- all departments involved (sales, planning, orders processing, logistics, finance, 3PLs) trained in stages to be comfortable with changes
- phased physical stock transfer in 2 main stages ensured fluent French orders shipping from the Netherlands at the end of 1st stage
- French orders shipping started from the Netherlands on time as scheduled, without any market coverage disruption
- on time delivery indicator related to French market improved by almost 1%
- 9% costs savings related to incoming goods flow consolidation
- 7% costs savings related to warehousing
- 4% costs increase of freight out costs, due to longer freight distances
- TOTAL 12% savings achieved by the warehouse consolidation