

What if you could...

...improve your forecasting, reduce lost sales and achieve record service levels?

With Proudfoot, you can.

THE CEO OF A DISTRIBUTOR for a major home improvement chain wanted to achieve profitable growth. He felt the best way to do this was to develop a competitive advantage through efficient supply chain operations.

Installing a new operational structure to govern demand planning, procurement and order fulfillment was a top priority.

The CEO wanted to implement an operational structure to control demand planning, procurement and order fulfillment functions, but he knew it would be a challenge internally.

Complicating matters:

One of the company's key client relationships was in jeopardy, and required immediate action to retain the longstanding customer.

Attrition across the senior management team put a strain on remaining members, and impacted continuity.

The CEO decided the best way to accelerate the improvement initiatives was to partner with Proudfoot.



Proudfoot PROOF POINTS

Logistics and Supply Chain
Case Study

A TRANSFORMATIONAL APPROACH

Working together with Proudfoot, the team:

- 1 Conducted cost/benefit analysis** to determine which distribution centers circulated the highest volume of products – the basis for the client's supply chain network design.
- 2 Analyzed outgoing shipments** to identify opportunities for order consolidation and route optimization. Elements of sales and operations planning (S&OP) allowed planners to accurately forecast demand to meet upcoming product launch and replenishment requirements.
- 3 Developed root cause and corrective action reports** to minimize supplier-related problems.
- 4 Equipped the newly designed network** to satisfy business requirements at the lowest operating cost.
- 5 Installed new processes** for better order management, behaviors and controls to expedite the fulfillment process.
- 6 Focused on S&OP to increase forecast accuracy** and the rate of product circulation from warehouse to consumer.

REMARKABLE RESULTS

\$33.3M reduction in **inventory costs**

\$95.6M in **identified benefits**

Greater emphasis on sales and operations planning resulted in:

- increased forecast accuracy
- reduced amount of lost sales
- improved customer service
- higher margins
- Better inventory management and increased product circulation across the supply chain gave access to valuable working capital.
- The alignment of efficient order management processes with the right behaviors provided greater visibility over the delivery process and strengthened customer relations.
- The redesign and optimization of the logistics function played a significant role in minimizing operating costs.

Proudfoot