

Case study

Supply Chain Streamlining

Objective

The fierce competition faced by this UK-based fresh produce importer created immense pressure on them to reduce cost and wastage throughout its supply chain. The objective was to streamline the supply chain operations to bring down the cost and lead times to the UK wholesale market and gain competitive edge over other importers.

Initial Analysis

Product profiling – the diversity of products had dictated that they were categorized by their logistics requirements, lead times, temperature, profitability, product life, unit load type and costs.

Procurement Strategy – Supplier base and buying terms were analyzed to establish if they were in line with the business requirements. Fragmented supplier locations and some unfavourable buying terms were addressed back to the client.

Existing logistics arrangements – Existing logistics arrangements were analyzed from overseas to within UK and cost per unit loads were derived. There was immediate attention required to expedite the clearance procedure in UK to gain more shelf life.

Information flow – Analyzed the existing data capturing procedure and flow of information from purchase order to the delivery of goods. Immediately brought to the client's attention that certain cost accountabilities should have been put in place to measure supply chain efficiency.

Delivered

Defragmented the supplier base by appointing new suppliers and re-negotiated the buying terms with some of the existing suppliers. This helped in consolidating loads to gain cost benefits over small shipments and gain more buying power.

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Negotiated rates with the shipping company and managed to bring down the shipping cost by 5%. Organized a container consolidation program at origin with suppliers and shipping company to educate the benefits of consolidation.

CFSP clearance was proposed against local clearance procedure to reduce lead times and quick customs clearance.

Reduced the cold storage cost and logistics cost of transporting goods to and from cold storage facility by arranging a temporary facility on site at fraction of cost. This gave immediate benefit of cost saving up to 15% on frozen goods.

Drafted some KPI models to evaluate the delivery performances, logistics cost per unit load, stock turnaround and lead times.

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