

## Portland worked closely with this global building materials company to reduce its \$100M logistics spend by more than 10%

### Supply Chain Project Scope

Supply Chain Strategy / Business Model	
Network Optimisation	Cost to Serve
Supply Chain Planning	Inventory Management
Transport Operations	Warehouse Operations
Manufacturing	Supply Chain Enablers

### Industry Segments

Industrial	Construction
Mining	Utilities
Consumer Goods	Food & Beverage
Retail	Services
Financial	Transport
Healthcare	Government

### Business Challenge

- Portland's client, a global Forestry and Building Materials company with more than 10 Business Units and in excess of \$100M in logistics spend, engaged Portland to assist and develop a National Logistics Strategy
- The client had a large base of uncoordinated logistics suppliers and wanted to extract value from their logistics operations by leveraging the synergies between the various Business Units through enhanced logistics management and coordination
- At that point in time no single Logistics Services Provider (LSP) had the capability or assets to manage and execute the client's entire freight task

### Our Solution

- Portland initiated the project by building a complete picture of all logistics activities through collecting detailed freight transaction data over the previous calendar year and building a comprehensive transactional and cost baseline by site and Business Unit
- Current logistics management practices within the client were benchmarked against best practices using Portland's Supply Chain Framework and Performance Management Indicators
- Portland then employed an extensive and thorough selection process and eight potential Logistics Service Providers were invited to participate in a review process
- Through a two step selection process, two capable potential LSPs were selected to go through an intensive logistics optimisation modelling effort in order to develop a comprehensive logistics solution and accompanying cost structure

### Outcomes

- Significant savings (>10%) on the cost baseline were identified
- Portland then supported the implementation of the new structure to deliver these benefits

