

Portland designed, implemented and operated supply chain planning, inventory management and replenishment as an outsourced service for a national retail chain

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 is a leading Australian rural retailer and employs a mixed delivery model; direct to customer, direct to store and via DC to store
- Periods of rapid growth had led to high distribution costs due to double handling, poor network design and inter DC transport, and non-optimal product flow-paths
- A major IT systems overhaul is under way with a complete new ERP implementation
- Operations are in a state of transition from a trading / supply organisation to a market sales driven model
- Organisational capacity needs to focus on higher value added functions rather than supply chain planning: merchandise management and sales & marketing development

Our Solution

- Reviewed distribution network, product paths and shipment sizing from import to customer
- Conducted a detailed analysis of supply chain planning data requirements including stock turns, restocking and replenishment planning to decrease stock-outs and "rush" ordering, while increasing inventory turns
- Developed two transformational workstreams that will deliver significant business benefits and address new system requirements definitions
- Portland developed and deployed a fully operational sales forecasting & inventory management solution then turn-key outsourced implementation and operation of the supply chain planning solution for baseline sales forecasting and DC inventory planning
- Provided forward looking Collaborative Demand Planning of sales with National Category Management and State Sales & Marketing
- Helped implement Sales & Operations Planning (S&OP)

Outcomes

- Reduction in total distribution cost, lift in distribution capability, reduction in stock-outs and avoidance of "rush" replenishment
- Attainment of supply chain redesign benefits with reduced implementation costs and risks
- Organisation free to focus on higher-value functions & changes

