

Supply Chain Modeling

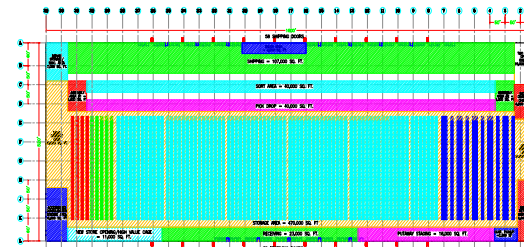
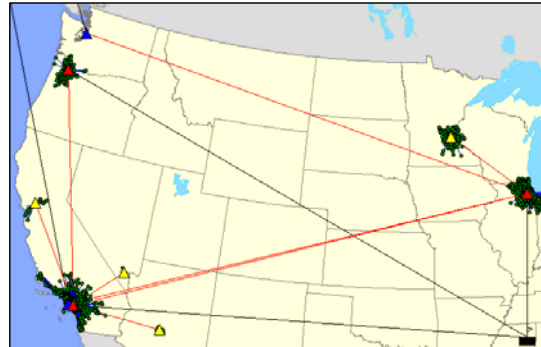
Targeted Solution – Improved Return on Assets

OBJECTIVE

Develop a Supply Chain strategy to support the rapid growth of a furniture retailer to \$1B in sales and expansion into new and existing markets.

APPROACH

- Developed 11 different scenarios for combinations of full service distribution centers (DCs), cross docks and transload facilities depending on market size
- Tested the impact of 1 vs 2 DCs in larger markets and sensitivity of real estate decisions to delivery costs and service levels
- Modeled inbound costs for inbound freight and domestic suppliers, interfacility transportation, labor and occupancy costs, and delivery costs in local markets.
- Developed implementation strategies in each market to support growth but minimize CAPEX



SOLUTION

The Logistics Team's Plan:

- Developed a plan to minimize risk expanding into new markets by utilizing transload facilities until full Distribution Centers could be justified
- Saved the client \$15.5M in annual operating expenses compared to maintaining their current strategy.
- Provided a comprehensive capital budget, facility sizing, and staffing plan to immediately launch site selection in the first required market