

Business case

Defining the Target Logistics Organization of an Industrial Supplies Retailer

PRACTICE

Supply Chain

SECTOR

Distribution

DURATION OF THE MISSION

2 months



Our client, an industrial supplies retailer, wants to define the target logistics organization to support the development of its private label range.

KEPLER offers an impact study based on the Business Plan projection and the modelling of different organizational scenarios.

Context

- 1 central warehouse, 7 regional platforms and a hundred business outlets with 40,000 referenced products
- 7,000 private label references, with strong development prospects in terms of breadth of ranges and penetration
- A single flow diagram between private label and branded products with storage and preparation based in the central platform
- The possibility of retail ordering products from the private label range, significantly challenging platform operations

Objective(s)

Optimizing Full Costs

- Defining the logistics strategy for the private label

Methodology

1 Mapping flows and associated costs

Platform observation and operations analysis

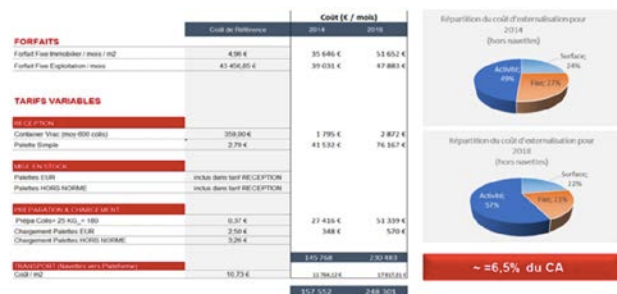
3 Capacity analysis and modeling the needs

4 Clients' constraints assessment and what-if scenarios

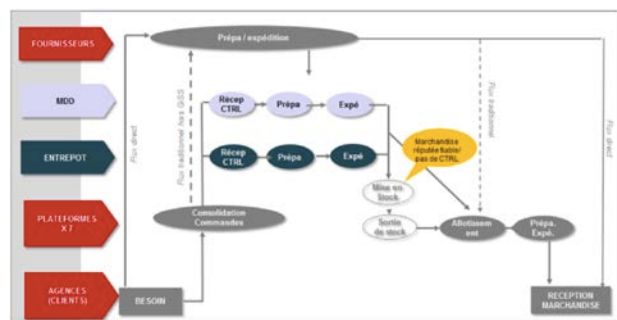
5 Summary of impacts and recommendations

- **NVAT analysis**
- **Practices Benchmark**
- **Economic modeling**

Benchmark and target costs



Flow Scenario



Capacity Modeling

[illegible]

+6,5%
of turnover

**Optimization of
private label's
supply costs**

D+1

**Securing
lead-time**

“Our client's ambitions regarding the development of his private label were very strong. The target network design was to maximize the service and ordering flexibility offered to stores, while minimizing logistics costs to secure high profitability of the private label.”

Lysiane Bessonnet

Director, Supply Chain Practice Leader

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