

Business case

Optimizing the Supply Cost for a Hardware Stores Company

PRACTICE

Supply Chain

SECTOR

Distribution

MISSION DURATION

2 Months

Our client,
a major player in
DIY retailing industry
in Europe, wants
to optimize the full
supply cost of its
products in stores.

KEPLER carries out
an activity based
costing approach to
map the range cost
overrun optimize it.

Context

- Hardware retailer brand with a network of around 100 stores in France
- 4 regional outsourced platforms, managing the receipt of packages their storage and the replenishment of stores stocks
- More than 700 suppliers, local, regional or LCC
- 3 supply flows: direct-to-store, stored and cross-docking

Objective(s)

Optimizing Full Costs

- Challenging the stores' supply chain to optimize the Total Cost of Ownership

Sector : Distribution
Mission : 2 months

Cost analysis per sector

Figure 1: Breakdown of SC Costs. The figure shows a total SC cost of \$0.90 per unit, broken down into five categories: Turnover, Equipment, Inventory, Turnover, and Turnover. Each category is represented by a bar chart showing the percentage of the total cost. The total cost is \$0.90, and the breakdown is: Turnover (5.3%), Equipment (1.0%), Inventory (0.34%), Turnover (0.30%), and Turnover (0.37%).

Supplier impact calculation

[illegible]

Industry change simulation

Coût Supply Chain Fournisseur:	85 221	181 431
	Actuel:	SIMU (choisissez la filière):
COUTS FOURNISSEUR FILIERE:	Xstock	Stockage
Utilisation EDI	25 000	25 000
Préparation des commandes	28 272	25 152
Emission Factures	4 932	190
Gestion des litiges	12 377	123 770
Portage de stock	-	-
Transport	Pending	Pending
Couts Prestataire	14 640	7 320

Dashboard

6%

Gains on
**Full Logistics
Costs**

5M€

**Logistics Cost
Refunds**
from Suppliers

“Beyond the detailed costs analysis, we supported our client in evaluating the impacts of its supply chain over suppliers. This evaluation allowed the set up of honest discussions from industrial to distributors and the definition of a logistics flow that optimizes the cost over the entire value chain and thus brings a better share of the benefits.”

Lysiane Bessonnet

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