

Improving the Full Cost of Providing Cosmetics Products

PRACTICE

Supply Chain

SECTOR

Cosmetics

MISSION DURATION

3 Months



Our client,
a world leader in the
cosmetics industry,
wants to improve the
full cost of making its
products available in
Latin America.

KEPLER offers to set
up a Based Costing
activity to improve
warehouse storage
and modeling
operations.

Context

- A regional network design for the Latin & Central America zone which has been in place for two years
- Increasing Supply Chain costs generated by this new organization (+1.5 points in 1 year)
- A 64,000m² regional warehouse dedicated to the local market (Mexico) and serving the national platforms in the area
- Reception operations (350,000 pallets / year), storage (65,000 positions - including 30% broken down in detail) and preparation (~ 600 pallets / day) which supply the local market and export

Objective(s)

Improve Responsiveness
and Secure Availability

- Improving regional warehousing operations

Our Approach

Sector: Cosmetics
Mission: 3 Months

Methodology

1 **Mapping of flows**
and analysis of associated full costs

2 **Internal cost benchmark**
with other regions

3 **Diagnosis of Supply-Chain processes** and associated organization

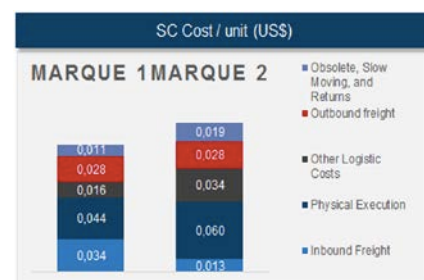
4 **Logistics Platforms Audit**
and operational costs by product line fine-tuning

5 **Definition of the target organization** by logistics sub-process and associated gains

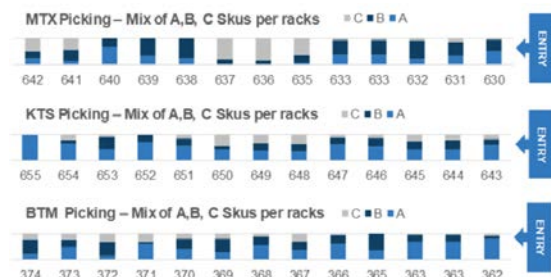
Levers and Tools

- **Cost benchmark**
- **Flash warehouse diagnosis**
- **Warehouse modeling**

Cost benchmark



Target implantation



Analysis of malfunctions





Dashboard

-3% **Operations costs**

-20% **ETP picking detail**

-16% **Distribution costs**

The methodology deployed allowed the objectivation of performance comparisons, between zones, distinguishing local factors.

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