

Portland redesigned a hardware distributor's national distribution network to significantly reduce costs and improve customer service

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 long-established maker of home and hardware products operating a network of state based warehouses and two national distribution centres
- Due to the closure of one of its factories and increased importation from China, the client required a new approach to distribution to its customers including hardware retailers
- A proliferation of SKUs along with long lead times from China had increased inventory levels and operating complexity
- Customer service levels within the current structure were extremely low with delivery in full on time (DIFOT) levels at 52% and order fulfillment at 58% causing out of stocks and lost sales

Our Solution

- Portland conducted a rigorous distribution network optimisation review to evaluate a range of different distribution network scenarios, analyse the best option and develop a robust distribution strategy that is aligned to the client's overall business strategy while reducing supply chain costs
- Along with network configuration improvement options Portland identified several additional initiatives in the areas of order management, freight management, inventory management, warehouse management and performance management to reduce operational costs
- Portland developed action plans and established improvement teams to target areas and drive benefits

Outcomes

- Network and internal benefits identified reducing current supply chain costs by 23 - 25%

