Supply Chain Structuring: Network, Forecasting, Inventory Optimization

The Client:

Our Client is a French & European leader in independent distribution of Tyres, and Car & Heavy Goods Vehicle parts. Our client is also a member of a leading group of distributors in Europe, North Africa & North America, covering 26 countries & with a turnover of nearly $7B.

Our client established its reputation over the years as the preferred point of contact for repair professionals and car and heavy goods vehicle fleet managers. It is the market leader of light vehicles and heavy goods vehicles.

The Challenge:

In light of its latest acquisition, our client identified the need for restructuring and aligning the supply chain of a recently acquired automotive entity. Given our automotive supply chain and logistics experience, the client selected Adivo to lead this supply chain restructuring program.

The 18 month program was expected to assess, plan and execute the operational realignment of the supply chain of the acquired automotive company across Inventory and Procurement Management. Adivo’s supply chain expertise was required in the areas of Material Management, Distribution Network design, supply chain organizational governance & structure and performance management.

Approach:

- Material Management
  - Inventory Assessment and Product Commonality Analysis
  - Supplier Selection Policy Definition and Implementation
  - Action Plans definition, with GM sign off in all relevant areas of Supply Chain
  - Procurement Tool specifications, development and implementation

- Distribution Network
  - Warehouse Productivity Plan Definition and Implementation
  - Transportation Plan Redefinition and Implementation
  - Action Plans definition, with GM sign off in all relevant areas of Supply Chain
  - New Network Analysis and Recommendations

- Organization
  - Inventory Mgmt. Function Creation and Launch
  - KPIs Definitions and Implementation

Benefits:

- Design and implementation of a full supply chain organization
- Supply chain implementation performance management through defined KPIs
- 15% in Operational Costs with a ROI of less than 9 months, -20% of Inventory, +12% of Availability
- Internal capability building through close project implementation involvement and training.