



## **Operational Case Study: Consumer Packaged Goods Manufacturer**

### **Business**

\$1.4 billion North American manufacturer of personal care products, primarily for the consumer HBA market. Product portfolio encompasses 8,000 product SKU's being distributed to food, drug, and mass merchandise stores and warehouses in the U.S. and Canada from four manufacturing sites.

### **Client Objective**

The company's efforts to improve their order fulfillment lead times, distribution center productivity, seasonal highs and lows, and overall customer service levels were unsuccessful to the extent that senior management secured consulting and interim management services.

### **Results**

- Led the end-to-end supply chain assessment from finished product release to the distribution/customer service organization, then through to retailer sites.
- Implemented a distribution network reconfiguration which reduced DC sites from four to three, increased fulfillment capacity 30%, and established emergency fulfillment backup processes.
- Implemented a physical material handling system for line fulfillment, case fulfillment, transportation planning, and shipping functions. The new order flow management system reduced redundancies in the current process and delivered improved quality and customer service at reduced cost.
- Features:
  - Manhattan Associates PKMS system was effectively interfaced with the internal inventory and order management system.
  - System provided capability to select order "waves" based on customer, geographic, and service level criteria which significantly improved internal efficiencies and customer service levels.
  - Throughput cycle (cartons) improved to 270 cases per hour per facility from 65 cases per hour. Line fulfillment improved 135%. Staging sort capacity increased to 180 cartons per minute while fulfillment (associate) accuracy improved 85%.
  - Orders filled complete improved to 97% from 88%, and internal order cycle time improved to 1.3 days from 2.7 days.
  - Associate productivity and quality standards program (scanning location bar codes, weight verification, and carton content detail).

### **Summary**

The company successfully improved all key customer service levels, internal productivity, and fulfillment unit cost from 2.3% to 1.4% of gross sales.