



Science of Supply Chain. **DELIVERED**



COCKTAIL FOR SUPPLY CHAIN SUCCESS



The Context

Indian business is hamstrung today by economic uncertainty, crumbling infrastructure and the lack of a clear and decisive push towards growth. In this parlous business environment, a supple supply chain plays a major role in delivering goods efficiently with the guarantee of accuracy, quantity and shelf life. The customer also expects that the delivered goods should be easy to handle at consumption locations, with the additional facility of rapid and seamless unloading on to the client's shelf space. With increasingly demanding supply chain partners and fastidious consumers, it is imperative that not only should goods be delivered On-Time In-Full (OTIF), but other parameters of a vigorous supply chain like 'secured', 'guaranteed' and 'floor ready' stocks should be carefully adhered to satisfy the ever picky client and consumer! This is where the practice of Secured, Guaranteed, On Time, In Full, Floor Ready (SGOTIFF) kicks in and must be carefully observed for significant results.

The Problem

One of our clients, who is among the largest food retailers in the country, wanted new and innovative methods to improve store shelf availability, reduce shrink and also streamline the handling of goods once they reached retail outlets from the Distribution Centre. To achieve this, we had to examine the Distribution Centre processes and transport mechanisms and scan them for any lacunae. We also had to ensure that merchandise was received with the utmost care at the retail outlets. Since food as a category has a large number of SKUs and often requires break bulk, we realized that only robust systems and processes along with innovative ideas could ensure that the absolutely essential requirement of SGOTIFF was fulfilled which, in turn, would enable the client to achieve his goals.

We held many discussions with the key stakeholders to understand the exact nature of the problem. Once the 'requirement analysis' was complete, we also studied their current supply chain practices for several days in the Distribution Centres.

We also put under the scanner the current systems and technology used; our study was strengthened by visits to the client's retail outlets which enabled us to understand the challenges faced by the client. At the end of our study, we prepared a 'need to have' and 'must have' analysis for our client.

The Solution

Our analysis suggested that the client must invest in automation to control vendor inbounds. We also installed the Put-To-Light system to manage break bulk with speed and accuracy. Sorting zones were created to ensure that merchandise was packed according to the store merchandise layout. We also instituted an outbound weigh check to ensure that the merchandise was packed according to the purchase orders, with no latitude allowed for shortage or excess. Automatic shipping label application was introduced to ensure quicker processing.



To control theft and shrinkage when goods are ready for shipping, the Roll Cage was introduced. The Roll Cage ensures tamper and shrink proof delivery. SKUs are never mixed in Roll Cages; this enables a Roll Cage to be shelf ready so that it can be wheeled directly to the shelves for rapid unloading. For smooth loading and unloading, trucks with tail lifts were introduced which bumped up loading and unloading efficiency by 200% at Distribution Centres and retail stores. We also installed an exclusive Warehouse Management System which was customised to ensure adherence to FIFO, Freebie Management, etc.

The Outcome & Impact

Our improvements and innovative strategies spawned notable results. We had Secured and Guaranteed (SG) deliveries to stores with reduced shrinkage and minimal in-transit damages. The On-Time (OT) deliveries improved vastly due to increased efficiency and accuracy at the Distribution Centres. The Line Fill Rate/STO Fill Rate rose significantly to 98% and this, in turn, resulted in substantial sales due to the availability of materials/SKUs at retail stores. With our fresh strategies we achieved nearly 100% accuracy in dispatches.

Further, the loading and unloading time was drastically reduced from one hour to 15 minutes at both Distribution Centres and retail outlets. We also achieved quick replenishment of stocks on store shelves due to the easy availability of Floor Ready merchandise in Roll Cages. Importantly, manpower was reduced at Distribution Centres by a significant 25%.

Were these changes powered by huge cash outflows? Emphatically, no. Innovative strategies, a sharp eye for detail and cost reduction and an intelligent adoption of technology are the essential ingredients for success in supply chain which can come at no exponential cost to the company.

