Coriolis CONSULTING

Factory and warehouse processes aligned and systems integrated to boost utilisation by 65% and Reduce Costs by 20%.

DANEPAK

> "
> *Once again, Coriolis have shown that they can over achieve the target. The installed tools have given far more clarity to the accountabilities of staff in the TPL and Danepak, which has resulted in significant benefits to both cost and service. The project was completed over a very short period of time and I will be inviting Coriolis back if required.*
> "

Henrik Jeppesen
**Special Projects Director
Danepak**

Challenge

The client had previously made a strategic decision to outsource all post production elements of their supply chain to a third party logistics (TPL) company in order to accommodate future growth plans.

In some aspects the partnership had worked well by accommodating an increasing capacity, but this had come at the expense of unexpected spiralling costs. The two companies' information systems were neither integrated nor compatible and the lack of communication was causing severe problems.

The TPL were struggling to deal with volume fluctuations, causing compromised customer service and seeming to leave no alternative but to pass on the increasing costs of precautionary overstaffing.

At this point the client-TPL relationship was strained and each party felt that the issues were the responsibility of the other.

> "
> The Coriolis project has enabled us to focus and develop our business to deliver sustainable growth and profitability. The tools developed for the team give both insight and foresight into a rapidly changing environment.
> "

Tony Bury
**Warehouse Manager
TPL**

Coriolis can help to improve your manufacturing and planning systems

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Transformation

Danepak approached Coriolis for a solution to the problem. With Coriolis' detailed knowledge of good practice in the food industry, it was immediately clear that the two businesses were being planned and managed as separate companies, not as one integrated supply chain.

Current state performance was benchmarked against industry best practice and both businesses were coached to understand the capabilities and constraints of the other. It was then possible to work with both businesses together to sketch up a detailed future state map encompassing one single integrated supply chain. Working collaboratively with internal teams from both businesses, the overall supply chain was mapped and an informations systems analysis was conducted.

Coriolis devised and introduced more effective management control systems, to maximise the overall system performance. A detailed Master Scheduling package was developed for the TPL, which allowed them to align their operational shift patterns and vehicle loading plans with factory planning and production. This enabled the provider accurately to plan and execute an improved schedule resulting in a 65% increase in warehouse utilisation. In addition to a better planned warehouse and despatching, Coriolis were also able to work backwards up the supply chain.

Factory planning systems were optimised to achieve better co-ordination between production, warehousing and distribution with tremendous paybacks for Danepak through a large reduction in costs and wastage passed on from the TPL.

Impact

- **3 to 1 Payback Ratio**
- **65% increase in Warehouse Utilisation**
- **23% increased Warehouse Performance**

The financial benefits to the client were significant with the project delivering in excess of a 3:1 payback ratio. The long term savings created by the project were compounded further by the cost reductions passed on by the TPL, who experienced a 23% increase in warehouse performance.

The benefits to the client extended far beyond the financials; the project created a "hands-on, can-do" culture within the workforce, and put the management team firmly back in control, capable of delivering the quality and performance that customers and shareholders demand.