

CLIENT SUCCESS STUDY

WAREHOUSE & DISTRIBUTION PERFORMANCE

DISTRIBUTION OF BEST PRACTICES

The Situation

A major division within a national warehousing and distribution organization needed to “kick-start” a program that would allow the best practices to become utilized across a very diverse set of remote locations. A manager, who was responsible for the overall profitability of his /her operation, represented each location.

While each location handled essentially identical products, the profitability and performance varied widely from location to location.

The established culture was a self-defined modification of “entrepreneurship”. This was taken to mean that the local management were pretty much on their own when it came to establishing a kind of performance improvement initiative. Since the individual profitability targets were “hard” and corporate financial support for local initiatives was limited to non-existent, any improvements were very much dependant upon the talents and drive within the management team at each location. Every location was managed as an independent business, some of the managers guarded this very jealously.

The Challenge

Gordian consultants worked initially with corporate management to conduct root cause analysis and accurately define the issues to be addresses.

Part of the initial analysis was to take a measure of the culture and management attitudes, both at corporate and within the regionally diverse locations. When these assessments were then compared and contrasted to objective metrics, it became clear to the senior management that in order to ensure future profitability and dramatically improve shareholder value, the key issue identifying, sharing and implementing Best Practice across all the locations would be essential.

The Approach

The analysis findings provided the groundwork

for an immediate beginning.

A selection was made of influential, yet in some cases skeptical, managers to coordinate activities and sign-off on both the schedule status and deliverables. This ensured that maximum participation and buy-in was established as a primary objective at the being of the project.

The management group monitored, among other things: gap identification; resource allocation; training need identification; systems integration; and HR integration.

During the program an online procedures manual was developed and implemented. This was linked to a continuous improvement cycle whereby individuals and locations would identify process improvements, which would then be shared through the online manual and the newly instated newsletter to all other locations.

The Results

The improvements began immediately. By leveraging both the less formal “grapevine: as well as the newly implemented newsletter, it quickly became common knowledge when a location was obtaining significant benefit from the newly exposed best practice knowledge.

Overall, the company experienced a 14% profitability improvement. Customer service dramatically increased, the loss of sales to competitors due to “stock-outs” was virtually eliminated. Warehousing costs dropped by up to 38% in some locations, while at the same time employee turnover also dropped.



Customer service dramatically increased, the loss of sales to competitors due to “stock-outs” was virtually eliminated.

“Every location was managed as an independent business, some of the managers guarded this very jealously.”



Sharing and implementing Best Practice across all the locations was essential.

**SOLVING YOUR COMPLEX
BUSINESS PROBLEMS**

Gordian Transformation Partners Inc.
10 Glen Lake Parkway
Suite 130
Atlanta, GA 30328
Phone: 678-353-3378
Fax: 678-222-3401
Email: sales@gtpsolutions.com

**S T R A T E G Y , T R A N S F O R M A T I O N S &
P E R F O R M A N C E T U R N A R O U N D S**

ABOUT GORDIAN TRANSFORMATION PARTNERS

Gordian Transformation Partners is a boutique management consulting firm that integrates traditional management consulting disciplines with high-impact leadership practices and breakthrough thinking tools for mid-market clients. The result is a powerful consulting process that enables CXO's to solve their toughest business challenges with speed, efficiency, and economy.

Gordian Transformation Partners is headquartered in Atlanta, GA. We draw on the knowledge and experience of our consultants, whose skills span the initial generation of ideas and insights all the way through to detailed implementation. Gordian's consultants have lead transformation and turnaround initiatives for over 500 Global 1000 and mid-market companies in Australia, Belgium, Canada, Cyprus, Denmark, Finland, Hong Kong, Indonesia, Italy, Jamaica, Malaysia, Mexico, the Netherlands, New

Guinea, New Zealand, Norway, Portugal, Singapore, Spain, South Africa, Sweden, Trinidad, the United Kingdom, and the USA.

Gordian's consulting expertise addresses every area of your enterprise, from developing a transformation strategy to make your organization more customer-focused, to optimizing your supply chain investment, with the tools and expertise to help you reach your objectives.

Gordian draws on the knowledge and expertise of our consultants, whose skills span a wider range of capability than many other major consulting firms. The disciplines of Gordian's consulting specialists are underpinned by deep change management experience - managing risk, mobilizing staff and integrating initiatives to deliver sustainable change quickly.

Gordian Transformation Partners assists clients on a wide array of issues and problems, regardless of industry vertical. Gordian's

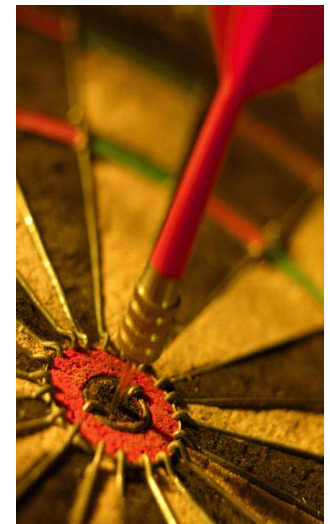
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

Gordian Transformation Partners is focused on what is most important to senior executives and their organization:

- Enterprise Transformation
- Customer Driven Transformation
- Strategy
- Change Management
- Business Process Management
- Performance Turnaround
- Behavioral Development

**Gordian Transformation
Partners:**

- *Help organizations produce extraordinary business results, while connecting and enriching the lives Gordian Transformation Partners touch.*
- *Works in a dynamic team environment, where you and your management team share substantially in the economic value that you help create.*
- *Trains and develops you and your management team, to realize your fullest potential.*
- *Transforms your organization to a collaborative, high-energy, and fulfilling work environment.*



Is your business on target with your vision and customer expectations?

**Contact Gordian at:
sales@gtpsolutions.com**