

# Implementing Lean & Agile Techniques – Logistics & Distribution

## The Challenge

Client - Global Pharmaceutical and consumer health product manufacturer and distributor.

They had experienced significant double digit figure growth over an extended period of time whilst in a constrained location for area to expand and capacity limitation for storage.

The client had recently engaged in two 3PLs to manage the shipment and repackaging of product to customers.

Shipment of product from the manufacturing site to the 3pl and then onwards to customer had come to a physical and process bottleneck, they physically could not get product out of the warehouse.

## The Solution

- ❖ Implemented standard manufacturing quantities based on standard units of measure (UOM), -full pallet quantities.
- ❖ Agreed minimum order quantities with country sales teams based on sales UOM (Full layer pallets)
- ❖ Instigated daily planning calls with 3PLs to enable planning for material picks
- ❖ Changed site warehouse to dispatch area with max 3 day turnaround supported by simple Kanban process.
- ❖ Order to cash process simplified by standardising practices and documentation and working procedures.

## The Results

- ❖ Eliminated business bottleneck, product to customer on time.
- ❖ Reduced repacking costs by 30% at 3PL by moving to standardised UOMs.
- ❖ Reduced order to cash leadtime by 25% by eliminating duplicated work and associated human errors.
- ❖ Redesigned existing warehouse to dispatch area with 3 days storage only.
- ❖ Implemented simple visual management process to support shipping Kanban.
- ❖ Instigated business escalation process for any product identified to be in dispatch area for more than three days.
- ❖ All achieved in less than 3 months