

# DISTRIBUTION

Wholesale beverage distributor streamlines operations



A US wholesale distributor of wine and distilled beverages realized it had a problem with inconsistent performance—but lacked the information needed to correct the situation. Alexander Proudfoot was engaged to conduct a multifaceted Business Review and to install a pilot project for reorganizing the client's warehouse operations.

The Proudfoot assignment led to a major overhaul in the way the company operated, producing a greatly streamlined organization with more effective management and supervision.

Proudfoot uncovered a wide range of issues, all of which contributed to a lack of effective

management and inconsistent performance. Among them:

- A lack of scheduling and planning that resulted in a great deal of “pacing” in warehouse operations
- Lack of standardization in work flows, resulting in duplication and redundancy
- Supervisors had not been trained to identify lost time and operating problems in their areas, resulting in 30-60% of lost time going uncorrected with no corrective action programs to deal with recurring operating problems
- A general lack of necessary information to enable the company's top executives to properly evaluate the performance of their managers, supervisors and clerical employees

To address these issues, the CEO authorized a 39-week assignment at one of the company's largest distribution centers and a nearby satellite center. The project addressed a broad range of activities in the company's inventory, purchasing, warehousing, shipping and administrative areas, and produced a completely redesigned management system, which the company could then use as a model for its other 4 facilities. The major improvements included:

- Installation of a total Management Operating System to forecast,

plan, follow-up and report on the use of key resources

- Installation of both long- and short-range forecasting and Master Schedule procedures
- Systems developed to relate work to time and volumes in order to establish crewing requirements by areas within the warehouses
- Installation of an overall management report to track “plan versus actual” metrics
- Standardization and streamlining work flows to eliminate unnecessary steps and excess paper work

**ZERO**

**Net cost of improvements to client**

**3:1**

**Return on client's investment**