

# Enabling the Supply Chain from Source to Consumption

“We rely on the CSC/Manhattan Associates Team to help us design, enable, and manage our integrated network processes. They are enabling us to accelerate our network efficiency goals by leveraging their proven logistics execution systems.”

— Supply Chain Manager,  
Major Foodservice  
Company

Today’s business environment is particularly challenging for logistics-intensive companies. These companies, whether manufacturers, wholesale distributors, retailers or third-party operators, face rising operating costs, expanding service requirements and constant changes in their capital intensive distribution networks. These changes are driven by multiple factors: competitive pressures, increasing customer demands, channel drivers, growth imperatives and technological advancements.

Successful firms will respond to these dynamics and issues by increasing the frequency with which they analyze their networks, expanding the scope of their efforts to consider the extended supply chain and constantly considering changing channel dynamics. The payback for stepping up these efforts will be improved performance in areas that have been historically difficult to manage:

- Achieving/maintaining an effective network design that extends to include trading partners (proper DC locations, minimized product handling and order deployment processes)
- Optimizing inventory in a multi-echelon network (effective inventory stocking strategies, managing lead time variations and maintaining visibility)
- Implementing successful advanced supply chain programs such as drop ship, merge-in-transit, postponement and other channel optimization initiatives
- Effectively supporting multiple reverse path flows from customers

## Creating and Enabling the New Supply Chain

Companies like yours can take optimization and process improvement to the next level; to the “network level.” By doing so, you can exploit improvement opportunities in multiple areas:

- Network Design – multi-tier distribution networks with highly optimized product flow paths as well as support for advanced programs such as merge-in-transit, cross dock and reverse logistics
- Customer Service – coordinating orders across channels and divisions and one order, one invoice, one shipment

CSC and Manhattan Associates assisted an industry leading food service provider in evaluating and transforming the way the firm brought its products to market.

Approach: Develop an optimized network strategy to support a dramatically-revised distribution scheme, while generating significant operating cost savings and optimizing product flow path. To do this, 14 regional companies were used for a pilot to determine what could be accomplished with a dramatically revised business framework. As a result, the company decided to redesign its distribution system and transform its supply chain processes. Beyond the efficiency and profit objectives established for the effort, the company wanted to create an inventory management system that would rival the industry standard set by retail giant Wal-Mart. By working with CSC and Manhattan Associates, this company was able to:

- Lower supplier-to-client landed costs, delivering 25 percent of the savings through improved transportation costs
- Gain more efficient use of capital, providing 39 percent through capital avoidance costs
- Make improvements to operating efficiencies, with 14 percent derived from better handling costs, 6 percent from transaction costs, and 16 percent from inventory carrying costs

- Organizational Strategies – outsourcing non-core operations, partnering to provide new opportunities and service offerings and centralizing functions where leverage opportunities exist
- Inventory Management – JIT, VMI, consignment, multi-echelon inventory management, global inventory visibility and collaborative planning
- Transportation – corporate-wide demand aggregation, network-level load consolidation, carrier bid optimization and optimization opportunities such as continuous moves and drop ships
- Performance Management – real-time exception monitoring and closed-loop performance management
- Procurement – enabling true strategic sourcing by providing commodity-level data for leverage spend

Designing highly-efficient networks is just the first step. To successfully *manage* processes and operations at the network level, new business requirements must be considered for solutions that support the supply chain from source to consumption including:

- Distributed Order Management
- Warehouse Management
- Transportation Management
- Trading Partner Management
- Reverse Logistics Management
- RFID in a Box®
- Performance Management

### **CSC and Manhattan Associates – Your Trusted Advisors for Supply Chain Advancement**

Together, CSC and Manhattan Associates offer services, solutions and technology to distribution-intensive companies aimed at designing, enabling and managing integrated network processes. Leveraging joint client successes and complementary approaches and methodologies, CSC and Manhattan Associates can help you accelerate the achievement of logistics efficiencies by leveraging supply chain execution and optimization solutions.

In fact, CSC and Manhattan Associates have already provided significant benefits to clients in the foodservice, consumer products and footwear/apparel industries.

If your firm wants to evaluate its supply chain strategy, leverage its supply chain technology investments and/or enable competitive business practices such as Lean or Six Sigma, consider CSC and Manhattan Associates. Our combined experiences with network analysis and solutions, the ability to deploy experienced, cross-functional teams and proven approaches and techniques can significantly increase your company's prospects for success and benefit realization.

For more information on the CSC/Manhattan Associates alliance and their combined Integrated Network Strategy capability, please contact:

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