



PROBLEM STATEMENT:

Transforming from siloed, fragmented Factory to Customer Supply Chain to a Connected and Customer Demand led.

Client profile

- Australian Discount Retailer
- 10,000+ Team Members
- \$1B+ Revenue

Key Team Roles

- Operational Design
- Program Management
- Operational Management

Business Impact

- Implemented new operating model for all stores
- Delivered significant cost savings
- Standardised new operating processes for deliverers Implemented a lean continuous improvement framework
- Implemented inbound planning and stock presentation principles
- Implemented retail and shelf ready guidelines
- Developed 5 regional stores of excellence



This retailer had grown exponentially over a few years with acquisition activity and organics growth. They did not have a standardised way of running their store operations (across a fleet of over 300 stores), nor did they have a supply chain that was focused on supporting the stores deliver an exceptional customer experience or inventory availability to customer. The Factory to Customer Supply Chain was disconnected from the strategic intent, with inefficient data, information and communication exchange unable to deliver profitable performance end to end.

Approach: Connectivity, Integration and a Standard Operating Model would connect the Factory to Customer Supply Chain.

The desired outcome of the transformation was to uplift the customer experience, improve sales through availability and to improve end to end efficiency and profit performance by connecting the key elements of the supply chain and ensuring that the operational activities were subservient to the customer needs. Our approach was to deconstruct the entire supply chain starting at the store and to

understand key operational pain points that would impact on the customer experience. A number of Store of Excellence and Training stores were established, as was a new operating model, supply chain integration planning model, a workforce planning model, new packaging, unitisation and inventory presentation standards as well as ensuring the right tools, equipment and training was provided.

Strategic Initiatives Implemented:

- Developed Factory to Customer strategy and change management plans
- Conduct global review of best practice Truck to Customer operations
- New operating model for all stores in Australia
- Initiate, develop and implement the 'Store of Excellence' concept. This provided an environment to develop the new operating model and to demonstrate what great looked like. The concept was a key component of the change and training program
- A Lean continuous improvement framework
- Upstream merchandise initiatives which reduced activity at DC and Store;
- Inbound planning and stock presentation principles to reduce and standardise workload at stores
- Retail and shelf ready guidelines for suppliers, merchandise, sourcing and store operations

COST SAVINGS

\$10M

ANNUALISED SAVINGS

IMPROVED OPERATING PROCESS

+300

STORES

BUILT STORES OF EXCELLENCE

5

REGIONAL STORES