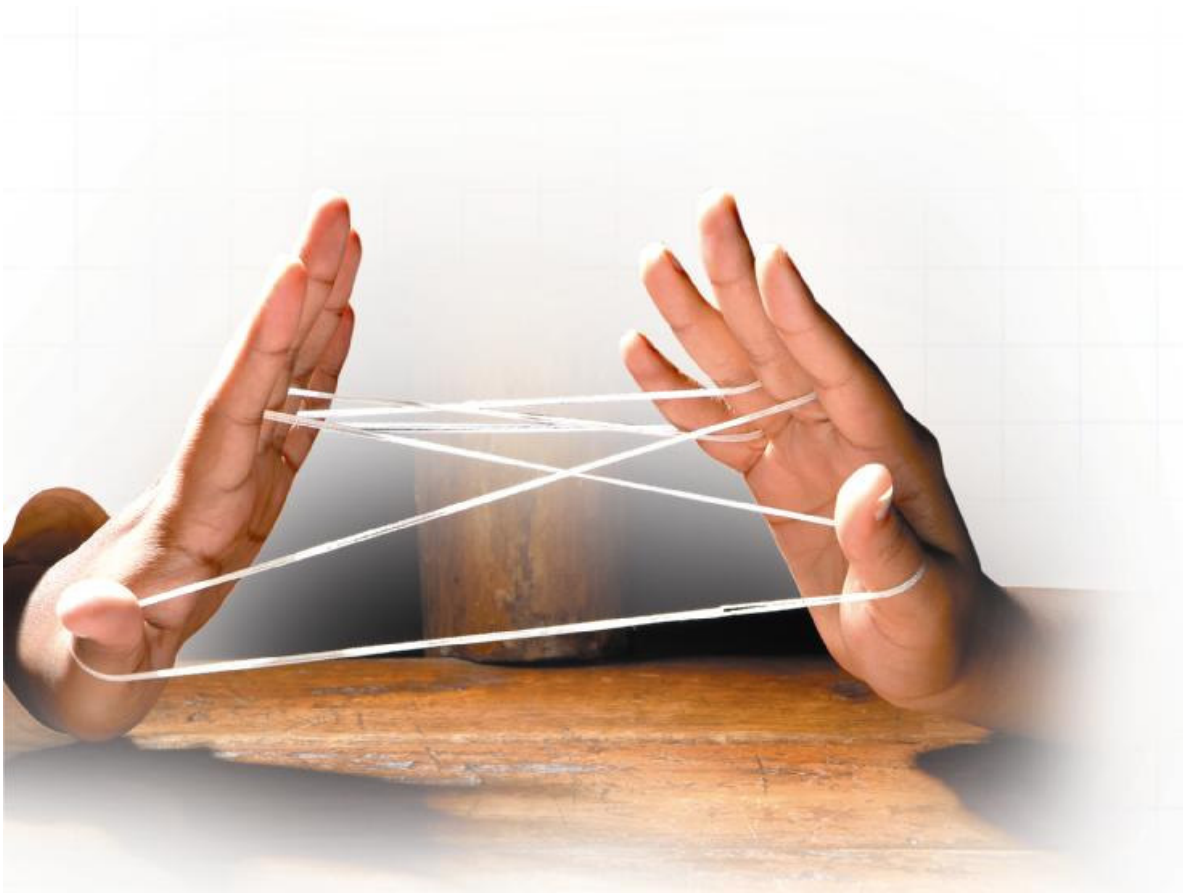


Creating New Generation Supply Chain for FMCG Sector



Customer Satisfaction | Profit | Growth

Management Consultants for Supply Chain Transformation
Enabling Clients Scale New Heights in Performance

Don't get constrained by your Supply Chain...



The FMCG Industry is on a high growth trajectory with the overall demand expected to rise manifolds over the next decade. This high growth is most likely to be accompanied by significant structural shifts such as changing customer preferences, emergence of modern retail formats, and growing rural spend propensity.

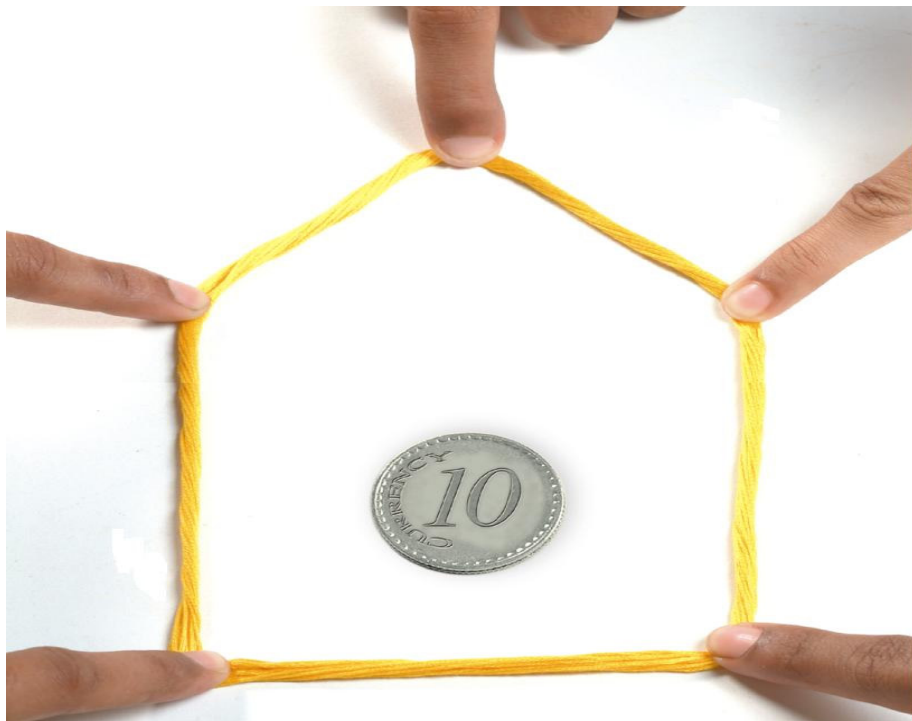
The resultant new challenges that need to be addressed for an efficient and effective supply chain are:

- Managing [Variety proliferation](#)
- Aligning to the emergence of [new channels](#)
- Managing the challenges of [reach](#)

Companies are now realizing that current supply chain configurations need to evolve to enable them participate in cashing in on the growth. This requires fresh thinking on the ways in which an organization would structure itself in terms of its key supply chain processes and drivers.

Proactive players are breaking new grounds using a series of Supply Chain Strategy initiatives to propel their Growth and Profitability by:

- Recasting the [Supply Chain Footprint](#) through [Network Optimization](#)
- Re-visit [Supply Chain Policies](#) for [Agility](#) and [Channel Partnering](#)
- Transforming [Logistics](#) for enhancing [Operational Effectiveness](#) while fulfilling reach objectives



... Transform it

Network Optimization

It's time to synchronize Supply Chain Networks with Market Dynamics

Supply Chain networks have evolved to cater to short term growth objectives. This has led to local optimization on [Cost & Responsiveness](#). In our experience companies lose significant value in [Market Share & Costs](#) owing to a sub-optimal network.

Dilemmas associated with Network Optimization

- Is it right to have the same Network for all products at various stages of their [Lifecycle](#)?
- How can companies improve the responsiveness without significantly increasing the [Stocking points](#) in the network?
- Does [Supply Chain Infrastructure](#) need to rationalize in terms of Supply Points - Plants/ Depots?
- How do companies leverage the [Fiscal Footprint](#)?
- What should be the [Ownership](#) pattern of Supply Chain Infrastructure?
- How do companies manage the [Transition](#) to a new Supply Chain Footprint?

Our Value Proposition

ECS has helped clients in unlocking significant value on dimensions of responsiveness and cost through Network Optimization. The salient feature of the same are:

Evaluating and Re-designing 'Supply Chain Foot Print'

Assessing Business Risk and it's Implication on Supply Chain

Developing a Tax efficient Supply Chain

Benefits

- [20% - 30% improvement](#) in Customer Service Levels
- [15% - 20% reduction](#) in Network Cost

Supply Chain Policies

Superior performance is delivered by arriving at the right trade-off's

It is becoming increasingly clear to the industry that the Operating Principles of Supply Chain cannot be same across all products. Product Strategy guide the Operating principles which are governed by trade offs between [Freshness, Availability and Cost](#).

Operating Principles which impact Trade Offs

- At what level of product and location granularity should one [aggregate the demand](#)?
- What is the scale and scope of [Push – Pull boundaries](#)?
- What is the right balance of Capacity / Inventory / Information [De-couplers](#)?
- What should be the right Planning Cycle for various stages of [Upstream Supply Chain](#)?
- What part of [Supply Chain Organization](#) should be Product based / Function Based?
- How to partner with upstream formats to get [secondary sales growth](#) ?

Our Value Proposition

ECS has delivered significant value by helping them firm up and deploy the appropriate Supply Chain Policies. The salient feature of the same are:

Design of Differentiated Supply Chain for products

Optimize Supply Chain performance through Point of Commit

Improvement in managing Demand Communication and Supply Synchronization

Design of Supply Chain Performance Metrics Dashboard

Alignment of Supply Chain Organization Structure with Business

Benefits

- [40% - 50% reduction](#) in Loss of Sale
- [20% - 25% Cash Liberation](#) from Working Capital

Logistics Transformation

Supply Chain is only as good as the Last Mile Delivery

Not enough attention is given to wastages which happen in logistics operations. Some of the major causes contributing to wastage are [Month end skew](#) , [Geographically Dispersed Logistics](#) operations and [Sub-optimal Contracts](#) with service providers.

Opportunities in Logistics Operations

- Exploiting the [Mode mix options](#) in primary and secondary freight
- Reduce secondary freight costs through [Dynamic routing](#) based on order flow patterns
- Minimize total payout through judicious mix of [Variable and Fixed costs](#) contracts
- Leverage principles of operational excellence to improve [Warehouse Productivity](#) & [Reach Solutions](#)

Our Value Proposition

Our structured approach has helped our clients to realize significant tangible and intangible benefits in logistics operations.

Establishing the KPI's of Logistics & Warehouse Operations

Building Primary and Secondary Routing Model

Redesigning the Logistics Contracts based on First Principles

Designing a Program on Logistics Excellence

Pilot Implementation & Change Management

Benefits

- [10-15% cost reduction](#) on Primary Logistics
- [20-30% reduction](#) in Secondary Logistics costs
- [Improved work practices](#) in warehouses
- [Enhanced reach](#) to new customers

Our Credentials

Illustrative Client Engagements...

Redesigning the network for a leading paint manufacturer experiencing high growth and facing supply chain complexities with 3000 SKUs, 17 manufacturing locations, 70 stock points. A 33% improvement in service level & 20% reduction in network cost was achieved.

Re-visited the Supply Chain policies and planning principles for a leading MNC FMCG company and set the right levels of freshness, availability and visibility. This resulted in 17% increase in Sales.

20% reduction in secondary freight costs opportunity was identified for a branded Edible Oil MNC major through a Dynamic Routing and effective Logistics Contracting.

About ECS

ECS is a premier business management consulting firm. ECS started out in 1991 with modest beginnings and an inspiring vision. A decade and a half later, ECS has served more than 200 Indian and MNC clients and become a trusted 'partner in progress' to industry

Consulting with a difference

Consulting by ECS is a co-coordinated effort to build, protect, and deliver value. We have a strong 'Implementation Focus'. We work along-side clients with a hands-on approach to implement our recommendations and measure the results. Our beliefs and strong skills in Change management have helped us to evolve a unique people centric approach. We create involvement and ownership across levels in the client organization, resulting in sustainable quantum benefits.



Our Clients

Our clientele includes : HLL, Marico, Godrej, Cadbury, Wrigley's, Tata Tea, ITC, Kansai Nerolac, Agrotech, Pidilite, Greaves, Amara Raja, Pfizer, Glenmark, GCMMF, Electrolux, L&T, TISCO, Rallis etc.

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