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# "SUPPLY CHAIN ALIGNMENT" CASE STUDY

**"Boston Strategies did an outstanding job on our supply chain project. Their research and recommendations were thorough and data-driven."**
– Supply Chain Director

| ABOUT THE CLIENT | |
|---|---|
| **Industry** | **Public Infrastructure** |
| **Revenues** | **$3 billion** |
| **Employees** | **12,000** |
| **Location** | **New York** |
| **BSI Service or Solution** | **Supply Chain Alignment** |

## Key Client Challenges

- Cost and financial data was buried in internal systems such as ERP system, accounting databases, general ledgers, etc
- No pre-existing framework for considering end-to-end supply chain cost (all costs were buried in departmental budgets)
- No optimization models or methods

## Why BSI was Selected

- Renowned supply chain cost methodology
- Activity-based costing methodology expertise
- Previous logistical redesign experience
- Outstanding references

## Project Scope

- 350 facilities
- 283 suppliers
- 11,000 SKUs
- 73,000 orders per year
- 10,000 deliveries per year

## Project Approach

- Quantified the current flows and costs
- Constructed a baseline supply chain cost
- Baselined service levels and backorder rates
- Simulated alternative networks that integrated inbound logistics from new and pre-existing suppliers into the core network, including:
    - A decentralized scenario (direct supplier shipment with no collection or redistribution)
    - A centralized scenario consisting of one collection point with stock
    - A hybrid (partially centralized) scenario
- Assessed best practice gaps
- Documented and presented findings to executive management

## Operational Benefits Realized

- Bar coding replaced manual labor
- More efficient vehicle routing
- Reduction of obsolete and excess inventory

## Financial Benefits Realized

- 23% reduction in operating cost that received executive management and wider industry recognition
- Shareholder recapitalization