



# Supply Chain Inbound Logistics Center Start-Up and Business Case Development

**Client** Logistics Division of our global client

## Business Challenge

1. Evaluate & key inbound supply chain operations and costs in relationship to revitalizing an existing building
2. Analyze risk in moving sub-assembly and kitting operations
3. Identify & develop inbound logistics KPIs to enable world class inbound logistics execution while driving continuous improvement
4. Develop future state design of revitalized building
5. Identify cost reduction opportunities

## Key Recommendations / Results

- **Develop** a process map of the activities at the supplier for sub-assembly and kitting
- **Define** the parts breakdown, volume, and flow of material flowing from other suppliers and/or cross dock
- **Evaluate** the current cost of sub-assembly, kitting, warehousing, and out of process operations
- **Assisted** client in understanding operational costs and activities between the supplier
- **Utilized CGN's** project management & six sigma expertise for transitioning inbound operations

## CGN Approach

- CGN assisted the client in understanding their current costs of managing key operations that support the assembly line such as sub-assembly, kitting and related out of process costs
- CGN developed analytical models for evaluating these operations and their related costs by activity in order to better analyze the flow and volume of parts when planning the transition of operations

## Benefits

- Increase in on-time delivery (10%)
- Decrease in inventory level (21%)
- Decrease in logistics costs (8.5%)
- Improved forecasting accuracy (12%)
- Shortening of order-to-delivery time
- Improved tracking

**ROI**

**9x** → relative to project investment