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Abstract

Infosys Portland helped a leading global beverage firm optimize and integrate its acquired manufacturing and distribution network in Australia and New Zealand delivering annual savings of over AU $20 Mn.

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Infosys Portland's client is a leading global FMCG company manufacturing beverages such as beer, spirits, and soft drinks. the business has expanded globally over the years with revenues growing at over $19.9 Bn.

Rethinking a legacy network

As part of its global growth strategy, the client had conducted multiple acquisitions in Australia and New Zealand including six manufacturing businesses which serviced major supermarket chains in the region and had a significant route trade. These acquisitions resulted in the company operating 27 manufacturing and distribution facilities across the region. This acquired network was recognized by the client as being high cost and inefficient having duplicated supply chain roles and processes. In addition, each of the acquired businesses were using different ERP systems and processes.

Seeking to drive transformational change in operations, the company partnered with Infosys Portland to develop a program of reducing operating costs through improving the efficiency of the network.

Assessing scenarios

Infosys Portland was already assisting the client in improving warehouse performance at one of its major semi – automated distribution centers and assisting in commercial lease negotiations for another major facility. These assignments provided it with detailed knowledge of the client's operations, and it rapidly deployed a dedicated team to work on helping develop a robust and sustainable network for the client.

Using a supply chain design application as the modelling tool, the Infosys Portland team worked across multiple businesses to create a normalized and consolidated picture of the existing supply chain operations, capacities, capabilities, and financials. Having created this comprehensive baseline, the team conducted several workshops that involved close collaboration with client stakeholders to ideate heuristic network scenarios. This

led to the development of a core concept with a number of variations for analysis. For each variation, the team assessed the incremental operating cost reduction against the required funding for one-off implementation costs to evaluate time-phased business cases including net present value and internal rate of return over a 10-year period.

Outcomes

Based on the modelling study, Infosys Portland made several recommendations. This included a future network that would reduce the footprint of sites from 27 to 18 and the introduction of new processing and packaging technologies along with targeted warehouse automation. The optimized and integrated network has been delivered over a multi-year period with associated operating cost savings for the client exceeding AU $20 Mn annually. With the success of this transformation, Infosys Portland continue to be engaged on several of the client's supply chain initiatives across Australian, New Zealand and Asia-Pacific.

About Infosys Portland

Infosys Portland is a subsidiary of Infosys BPM Ltd., a part of Infosys Ltd. Its mission is to improve the efficiency and effectiveness of its clients' procurement and supply chain activities. We achieve this by providing thought leadership, specialist subject matter expertise, a global delivery model, and best-in-class technology solutions. By increasing the value delivered and improving the of procurement and supply chain operations, our clients are able to achieve more for less.

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