

## Leveraging operational improvements during a time of tremendous growth

Aligning efforts and recognizing limitations to develop a framework for scalable, sustainable change in warehousing and distribution operations

### The results

Maine Pointe's operations and subject matter experts worked closely with the client's team to:

- Improve visibility to costs, profits and variances to plan
- Revamp process flows, leading to an 85% putaway volume increase within just four weeks
- Enable the acceleration of implementation efforts targeted to achieve annualized labor savings of over \$2M
- Reduce dependencies on contract labor and overtime hours while improving direct workforce productivity
- Improve embroidery machine utilization by 20%
- Deliver a ROI of 4:1

### This story is for PE executives and company CEOs who:

1. Are undergoing expansions that are putting pressures on the supply chain and the bottom line
2. Need to quickly reduce costs to elevate margins and offset expenses
3. Want to maximize their operational capabilities

### The challenge

This client is a leading distributor of private-label and nationally branded hard and soft goods and provides late-stage customization to garments both in the field and centrally in distribution centers.

The company's PE owners planned to grow both organically and continue an extremely aggressive plan for the acquisition of competitors. With revenue expected to almost double within five years, executives needed to reduce costs in operations while maintaining quality and delivery standards. The organization was struggling with the integration of newly-acquired regional competitors as their distribution and custom embroidery efforts remained at one centralized warehouse location. In addition, the client's incentive scheme, which rewarded speed over quality, was counter-productive and needed re-tooling to achieve machine output utilization improvements in both individual and team work environment.

The broader Maine Pointe TVO engagement involved deploying cross-functional experts across operations, procurement, logistics, S&OP, leader and organization improvement (LOI) and data analytics. However, this success story focuses on the work we carried out to create value inside the distribution center.

## Overcoming growing pains in the distribution center

With a brisk ongoing business and additional activity through acquisition, the company was struggling to achieve the necessary scale of operations in its central distribution center. Challenged with efficiently running a distribution organization that picks and ships approximately 4,000 orders a day, leadership was concerned about its ability to maintain expected customer service levels while continuing unprecedented growth trajectories as they folded new businesses into their core. This was exacerbated by a lack of logical flow in the warehouse, low digitization and high turnover of staff.

Maine Pointe's operations and subject matter experts led cross-functional alignment efforts to understand the business challenges at hand, learn from their growing pains and prioritize initiatives based on their desired goals of growth, margin maximization and cost reduction.

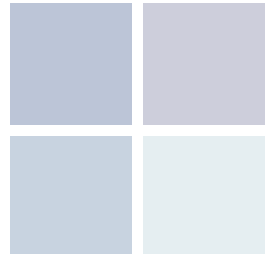
Maine Pointe identified areas of immediate improvement across the operation and designed the acceleration of a variety of sustainable, scalable process improvements. More specifically, we worked side-by-side with our client's team to:



- Create cross-functional teams to critique current process flows to identify improvement opportunities on the warehouse floor and within the customized embroidery production areas
- Re-define standards of work and standard operating procedures to be aligned with both "as-is, and 'to-be' needs anticipated with increased capacity and volume
- Implement management operating system (MOS) standards to guide the prioritization of work, manage resources, leverage improvement tools and technology while reshaping organizational behavior
- Facilitate collaboration efforts across operations and IT to develop and re-design process flows spanning the distribution center

### Lessons learned for other executives

- In a period of high growth through acquisition, companies must not fail to address detailed work processes in their operations
- To optimize the use of machinery, you need properly motivated people in the right place with the right skills
- In a business where details matter, proper governance is required to maintain quality



Need help to realize rapid EBITDA, cash and growth opportunities in a period of unprecedented growth?

Struggling to integrate newly-acquired business units and maintain high levels of customer service?

Talk it through in a no-obligation phone call or meeting with one of our executives.

Email [info@mainepointe.com](mailto:info@mainepointe.com) to arrange a call

### About Maine Pointe

Maine Pointe, a member of the SGS group, is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash and growth across their procurement, logistics, operations and data analytics. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the plan-buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost and risk to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. [www.mainepointe.com](http://www.mainepointe.com)