

# Case study - Service optimisation

## BACKGROUND

Our client was one of the UK's leading suppliers of fresh, ambient and frozen food to the catering industry - with sales of over £1,500 m pa and over 8,000 staff.

## THE CHALLENGE

Having acquired one of their competitors, in late 2004, the client – with the support of Iguana - integrated the physical supply chains of the two companies quickly and effectively to take advantage of the economies of scale offered by the new, enlarged business.

However, whilst the integration went smoothly, teething troubles in the newly enlarged operation limited delivery service level to around 92%; impressive performance given the hugely complex operation and the degree of change undergone, but less than those demanded by our client and their customers. In addition, significant sums were being spent on the recovery of product from hubs to satellites and/or end customers outside of the core transport operation; whilst this supported customer service the long-term financial implications were untenable.

## IGUANA'S ROLE

Iguana worked alongside the operations team and acted as a troubleshooter, identifying areas in which customer service could be improved.

Daily reporting was instigated across two hub and 21 satellite depots, with every site reporting to the Iguana project manager early each morning and identifying all potential customer service issues in the day ahead, whether caused by supplier failure, issues within the client's hubs, trunking or satellite operations. Following this, a series of telephone conference calls were held each morning to resolve issues wherever possible to limit any impact on client service,



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customers, identify the root causes of the problems, and put in place steps to ensure both that the chance of recurrence was minimised, and that any recurrence be identified and addressed earlier and thus reduce the reliance on non-standard recovery operations.

In addition, additional management information was sourced to provide a next day view of service levels to customers, rather than the weekly data previously available, in order to give the wholesaler's management team better visibility of their operation.



### **Successful implementation**

Within six weeks and with Iguana involved, delivery service level increased from an average of 92% to just over 99%; a level in excess of that expected by the client's most demanding customers. Furthermore, in the period since this level has been sustained, and the spend on recovery of product from the hubs has more than halved.