

Case Study

Recovering Supply Chain Performance

The leadership issue: Major supply chain issues were causing significant damage to the business.

Background

This major, vertically integrated retailer had implemented SAP across the supply chain, but technical and managerial issues resulted in very significant problems, including stock-outs and poor contract delivery. Customer complaints escalated dramatically and the business suffered a £60m reduction in profits that year.

What we found

The implementation of SAP had been flawed in some critical areas. The transfer of supply chain parameters to the new system was unsound and the management control processes were not adequate.

What we did

Curzon deployed a small team of experienced specialist consultants to form a taskforce with a team from within the company. We carried out a fast-paced yet rigorous investigation of the problems and identified best remedies for the breakdowns in inventory control and fulfilment.

- ◆ The taskforce deployed its members within each of the service delivery teams, in each case led by a manager from the business. By working together in this formation, we were able to effect progress quickly and helped to build the skills of the company's management and team supervisors
- ◆ We used a combination of project management, change tools and coaching techniques to accelerate the programme
- ◆ Within three months significant progress had been made, with the key performance measures of the supply chain recovering to pre-SAP levels
- ◆ During the process, we also began to leverage the benefits that the SAP functionality brought to the business and results were soon being attained that bettered pre-go live performance levels

We developed a balanced focus on delivering customer expectations whilst also meeting the company's financial goals. Accountabilities were clear and each team knew what was expected of them.

Results

Prior to the SAP introduction, out-of-stock occurrences had been 15% or less but with SAP in place they had reached a peak of 40%. Once our new programme took hold there was a dramatic improvement to inventory control and levels recovered to well below the pre-SAP level. Further reductions were achieved just three months later.

“It was testament to the way in which the Curzon & Company people worked alongside our teams, giving them the combination of tangible techniques and intangible confidence that enabled the overall programme to be a great success.”

**Supply Chain Director
Major Retailer**