



“SUPPLY CHAIN ALIGNMENT” CASE STUDY

“Boston Strategies did an outstanding job on our supply chain project. Their research and recommendations were thorough and data-driven.”
– Supply Chain Director

ABOUT THE CLIENT	
Industry	Public Infrastructure
Revenues	\$3 billion
Employees	12,000
Location	New York
BSI Service or Solution	Supply Chain Alignment

Key Client Challenges

- Cost and financial data was buried in internal systems such as ERP system, accounting databases, general ledgers, etc
- No pre-existing framework for considering end-to-end supply chain cost (all costs were buried in departmental budgets)
- No optimization models or methods

Project Scope

- 350 facilities
- 283 suppliers
- 11,000 SKUs
- 73,000 orders per year
- 10,000 deliveries per year

Operational Benefits Realized

- Bar coding replaced manual labor
- More efficient vehicle routing
- Reduction of obsolete and excess inventory

Why BSI was Selected

- Renowned supply chain cost methodology
- Activity-based costing methodology expertise
- Previous logistical redesign experience
- Outstanding references

Project Approach

- Quantified the current flows and costs
- Constructed a baseline supply chain cost
- Baselined service levels and backorder rates
- Simulated alternative networks that integrated inbound logistics from new and pre-existing suppliers into the core network, including:
 - A decentralized scenario (direct supplier shipment with no collection or redistribution)
 - A centralized scenario consisting of one collection point with stock
 - A hybrid (partially centralized) scenario
- Assessed best practice gaps
- Documented and presented findings to executive management

Financial Benefits Realized

- 23% reduction in operating cost that received executive management and wider industry recognition
- Shareholder recapitalization