

CASE STUDY

# Distribution Footprint Optimisation For Manufacturing Company



## ABOUT THE CLIENT



- Indian Pharm manufacturing company operating through 21 Carrying and forwarding Agents (CFAs) & catering to 3000+ stockists.
- 2.5 Mn units worth INR 1500 Mn handled through 10+ logistics partners with INR 20 Mn annual freight expense.
- Products portfolio includes Skin care, Cosmeceuticals, Pharma, and Cardiology & Diabetic therapies.



## BUSINESS OBJECTIVE

To develop a model and a framework which

- Shows cost and revenue equations of current CFA footprint
- Allows to incorporate various competing business considerations
- Indicates financial impact of different possibilities

## BUSINESS CHALLENGES

- Different freight rates for same routes and same CFAs
- Poor deliveries to stockists by large concentrated CFAs
- Deliveries to CFAs not optimized for freight cost and lead time
- Misaligned delivery quantities and schedules due to CFA bias on share of revenue vs. client priorities



## BUSINESS IMPACT & VALUE CREATION

### Distribution Footprint Optimization



- 1 Designed model for assessment of demand, distribution need, and competitive scenarios
- 2 Expanded footprint by adding CFAs/ sourcing locations closer to select CFAs
- 3 Revised freight rates and terms for a specific CFA location
- 4 Streamlined process for CFA onboarding, performance evaluation & service measurement
- 5 Created Super stockists for select locations for quick deliveries

### ABOUT US

Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional service firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion-dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge, and for our objective solutions for complex problems.

If you need any further information on our services, please contact us:

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