

PROJECT SUMMARY
GLOBAL CONSUMER PACKAGED GOODS COMPANY

PROJECT TITLE: GLOBAL FOOTPRINT OPTIMIZATION

Project Overview: CGN optimized this client's global manufacturing and distribution footprint and supply chain organization, delivering cost savings that exceeded project goals.

Business Objectives

- Identify cost savings of at least \$5 million realizable in this period
- Recommend optimum global manufacturing and distribution footprint to align with strategic sales forecasts
- Develop optimum organization to align with recommended operational footprint

Challenges

- Dramatically changing product mix with a declining cash cow core product, newer product formulations and packaging continuing to grow, and a breakthrough natural ingredient entering the market with potential for explosive growth
- Complex organization structure and operating footprint on four continents, capable of supporting far greater volume than forecast over the next 5 years
- Achieving turnaround from bankruptcy

Solutions

- CGN interviewed senior executive and midlevel managers and studied each manufacturing facility to produce a present-state capability and risk assessment
- CGN modeled the value stream through procurement, manufacturing, and distribution using a supply chain optimization software, evaluated alternative footprint scenarios, and developed pro-forma P&L's and balance sheets to determine optimum footprint for the near and intermediate term
- CGN deployed a SWAT team to bring a manufacturing facility that was struggling in start-up mode up to speed, enabling the shift of capacity from third party manufacturers to the in-house facility
- CGN designed a new organization aligned with the global business and operating footprint, and strengthening functions critical to long term success

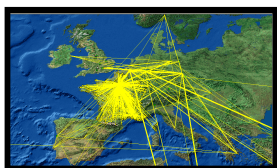
PROJECT DURATION:

January – April, 2009
(15 weeks)

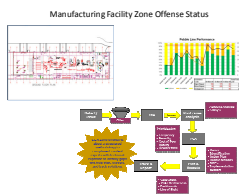
KEY RECOMMENDATIONS:

- Streamlining of distribution networks in US and Europe
- Manufacturing equipment moves to align capacity with demand by market, enabling a facility closure
- SWAT team actions implemented, bringing start-up plant up to production targets
- Personnel changes to align individual executive strengths with best-fit assignments
- Creation of a new unit to accelerate New Product Development and Introduction
- Three-phase organization plan for multi-year deployment as business matures
- Three year cost savings of \$30 Million identified

Network Optimization



Zone Offense SWAT Team



Organization Plan



“You have done an incredible amount of work in a very short time. A fantastic job!”
Manufacturing VP



For details call: 1.888.RING CGN (1.888.7464.246) or e-mail: (hcm@cgnet.net)
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www.cgnet.net