



Project Transport and logistics
assessment of restructured
supply chain

Client resume A major exporter of specialised building materials and supplies needed an assessment of the transport and logistics impact on both the company and customers of relocating its plants to another continent. The company was operating 9 plants supplying markets worldwide.

The task

Put simply, this was a technical, cost appraisal and simulation exercise taking two months to complete. Drewry assigned a cross-disciplinary team drawn from Supply Chain, Container and Dry Bulk to the project.

Actions taken

To assess the impact of trans-continental relocation, the team:

- Defined the logistics objectives and constraints of the company, within which the current or restructured supply chains operate
- Compared the direct transport costs and times of the current versus the planned restructured supply chains, including a mapping of the current and future supply chains
- Assessed the logistics impact on customer delivery and inventory of the restructured supply chains
- Provided views on the pro's and con's of different possible logistics networks / scenarios
- Provided long-term forecasts of container and bulk maritime costs

Methodology

The methodologies used to obtain the data they needed included:

- Supply chain mapping for alternative networks
- Knowledge of container shipping networks and connectivity
- Maritime transport cost modelling
- Materials handling
- Inventory safety stock assessment

The result

Having completed their research, the team identified serious logistics risks and negative transport costs associated with relocating the production sites. As a result, the client company acted upon the Drewry consultant's conclusion and changed strategy so that the impact of the proposed changes could be minimised.

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