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## NETWORK DESIGN



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Global supply chain complexity continues to grow. Competitive pressures are driving companies to exploit sourcing opportunities in increasingly remote areas, while customers are demanding shorter lead times and ongoing cost reductions. One of the most significant levers that can drive increased performance is the design of the logistics network. An optimally designed model can help drive high levels of performance, and in so doing, can help companies increase growth and bottom line performance.

Supply Chain Network Design is a core competency of our Supply Chain Solutions team. Our professionals provide the expertise, technical resources and proven project management process that allows companies to thoughtfully evaluate the complex relationships in their supply chain. Armed with this deep understanding, we are able to optimize their logistics network to balance cost, service levels, inventory and risk. Typical network configuration challenges include:

- Excess freight cost and lead times due to distribution centers in geographical areas that are not ideally located
- Fixed capacity DC network that does not accommodate variable nature of supply and demand
- Slow lead teams, high costs and reliability issues due to one-dimensional DC network (i.e., a single DC for a whole continent)
- Insufficient DC network capacity requiring acquisition of temporary additional storage capacity resulting in transportation waste, bottlenecks on the loading dock, difficulties in inventory reconciliation, labor scheduling problems, etc.
- Single-purpose DC that cannot accommodate quick-turn items

### SERVICE OVERVIEW

Network Design engagements assess how the distribution network should evolve, given the company's current and anticipated growth, changes in the supply and/or the demand demographic, and how the company envisions its supply chain operations supporting the business strategy on a more holistic basis. Efforts are primarily centered on gaining additional insight into the company's business by way of interviews/observation, statistical data gathering, data cleansing/synchronizing, analyzing and model building.

Projects can range from simple to complex; from directional analyses like centers of gravity to optimizing the number, location, role and capacity for each node in a physical network as well as the flow of goods through it. In complex projects, aggregate inventory levels can be addressed by re-balancing, resizing, and possibly repositioning goods across the network.

Expeditors brings together a unique combination of supply chain, analytics and modeling expertise that can help transform a sub-optimal network model into a high performance one. In the face of increased global complexity, and the never ending struggle to remove cost from the supply chain, there's a whole new area of untapped potential waiting to be unlocked through a re-design of the network model.