

DISTRIBUTION

Supply Chain Convergence

FAST MOVING
FORWARD THINKING

IMPERIALTM
DISTRIBUTION

The Company



IMPERIAL Distribution, an **IMPERIAL Logistics** company, is a specialist 3PL service provider that performs

Contract Logistics for customers across a range of sectors, including FMCG, Retail, Packaging and Construction.

The company has a turnover of

>R 1 billion and employs  more than **2,200** people.

THE PROBLEM

Powerful leavers

(consumer behaviour, globalisation of product flow, supply chain technology) are shaping deep structural changes with in FMCG and Retail Industries.



- Strong Operational Skills
- Revenue Chasing
- Culture of Traditional Trucking
- Supplying the right truck at the right price

2012

- Sustainable Business
- Differentiated from other LSP's
- Building on Core Competencies
- Generate Competitive Advantage
- Uniquely positioned LSP



Complex Change

- Distributed Systems
- A lack of standardisation
- A legacy culture

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THE TEAM



MINDSET OF
Collaboration AND
Innovation



Operational
Execution
MANAGEMENT



Operational
PLANNING



Logistics Integration Centre



Strategic & Tactical
PLANNING

Analytical



Process & System
INTEGRATION



The Strategy



People Management



- o Attract, recruit and train and **smart, young** talent into the industry.
- o Resource to create **free time** in the team which is used for employee driven efficiency initiatives.
- o **Scope reduction** of on-site management, allowing more focus on core activities.
- o 75% of the staff compliment are **black females**.



The Strategy



Process Management



- o A **live**, integrated and web based **debriefing** module
- o **Exception based** route and vehicle management through custom built tools and applications as well as off-the-shelf software
- o **Accountability** for distribution costs sit with the planning team



The Strategy



Information Management



- o Systems are integrated tightly to provide data about all aspects of the distribution function in **one** suite of reports.
- o The operations teams are **empowered** to quantitatively manage their businesses based on complete and accurate visibility of key outbound activities.
- o There is an **immediate** understanding of change in distribution demographics through live, strategic, network, spatial and demand modeling.

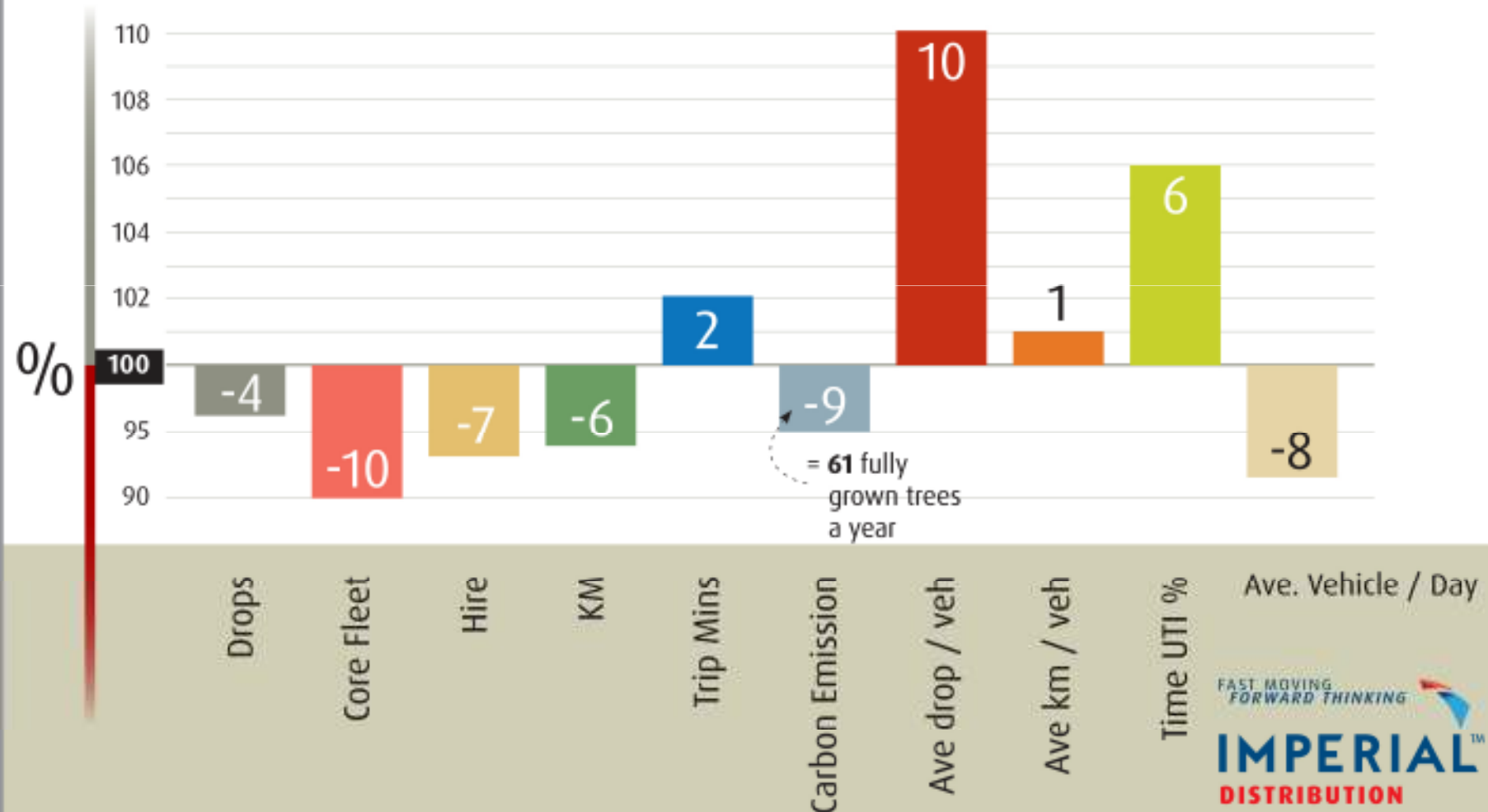


The Investment



- o CAPEX
- o ROIC
- o Site Snapshot

The Results





The Results



Operational Improvements

- o Managing the execution of the deliveries vs. an overlayed plan reduces risk of theft
- o Driver behavior is affected for the better as consistent underperformance can be addressed with facts.
- o Incidents of hijacking are greatly reduced (2 incidents in more than 11k vehicle days)
- o The revision, **simplification** and refinement of business processes
- o System generated workflows around now standardised processes across a contract site footprint spanning different locations, industries, and business models .



The Results



Customer Satisfaction

- o Tightly integrated systems enable special delivery requests to be executed systematically.
- o Leveraging idle fleet across multiple sites to maximise service delivery while reducing the cost of hired vehicles.
- o Volume smoothing, demand shaping, service day assignments and network modeling are daily activities.
- o The system supports operational intuition with factual data.
- o Early warning systems, live ETAs, notifications of late departures, and system generated reminders ensure that the all parties in the supply chain are informed at all times and issues can be managed immediately.



The Plan

The team
planned
to have an
impact ...



The Impact

... and then we made an
impact
on the
plan ...



The Results



- Competitive Advantage
- Plug-n-Play
- Economics of Scale
- Specialisation within the IMPERIAL Group
- A Cost Centre has evolved into a Profit Centre
- New, young, talented people
- IMPERIAL Distribution has a sustainable future

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Thank you.
Any questions?

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