Supply Chain Convergence
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.

**2010**
- 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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DISTRIBUTION

FASTER MOVING
FORWARD THINKING

IMPERIAL DISTRIBUTION™
THE TEAM
The Strategy

People Management

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

Process Management

- A live, integrated and web based **debriefing** module
- **Exception based** route and vehicle management through custom built tools and applications as well as off-the-shelf software
- **Accountability** for distribution costs sit with the planning team
Systems are integrated tightly to provide data about all aspects of the distribution function in one suite of reports.

The operations teams are empowered to quantitatively manage their businesses based on complete and accurate visibility of key outbound activities.

There is an immediate understanding of change in distribution demographics through live, strategic, network, spatial and demand modeling.
The Investment

- CAPEX
- ROIC
- Site Snapshot
The Results

-4  -10  -7  -6  2  -9  10  1  6  -8

-4  -10  -7  -6  2  -9  10  1  6  -8

Drops  Core Fleet  Hire  KM  Trip Mins  Carbon Emission  Ave drop / veh  Ave km / veh  Time UTI %  Ave. Vehicle / Day

= 61 fully grown trees a year
The Results

Operational Improvements

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

Customer Satisfaction

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