

Leading Talent

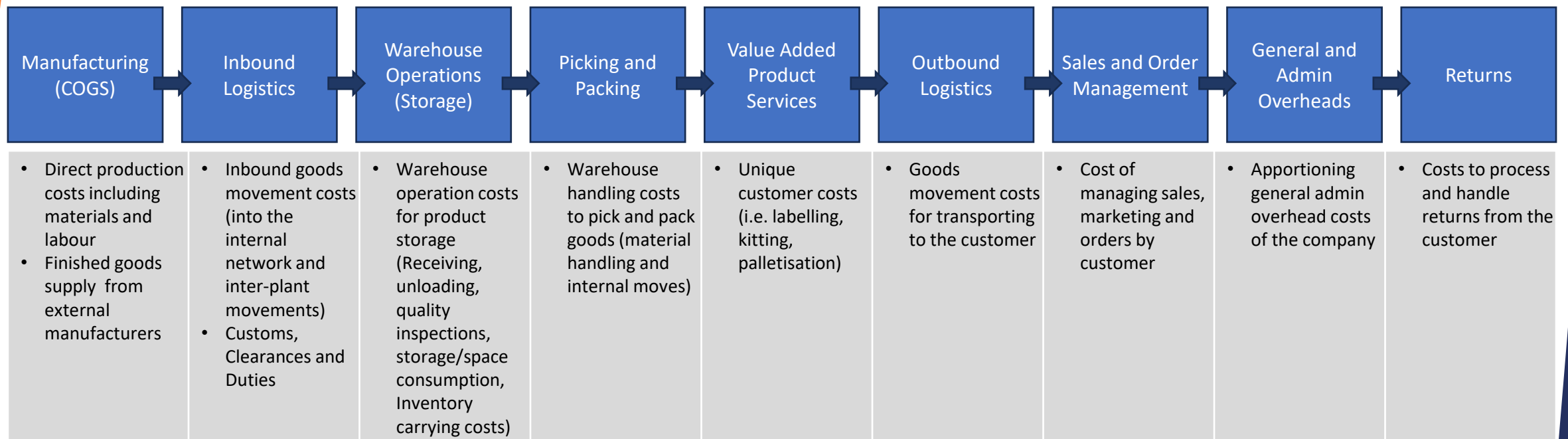
Case Study – Data and Analytics – Cost to Serve

Leading Talent accelerated the development and adoption of the Cost to Serve metric at a Global Health Company to **unlock the potential of \$36.5m in cost reduction**

Understanding your starting point in developing a Cost to Serve model is key to delivering value at pace

As companies mature and more data becomes available the expansion of Cost to Serve across cost components will unlock greater value through further process performance insight

Cost to Serve Value Chain



Case Study: Mastering Customer Satisfaction through end-to-end Supply Chain Performance

Client Situation

A leading Global Consumer Health Company sought better visibility on end-to-end supply chain cost management. Traditionally, they would identify profitable product lines intuitively utilising manufacturing costs from within their ERP compared with net trade sales data. The short fall in this approach is that not all costs are represented and could result in a skewed view, overlooking opportunities for cost reduction via improvements in processes, customer and order management and 3rd party relationships.

Their aspiration was to create an integrated tool that calculated and present operational cost visibility at a glance, built up across each of their SKU's, from source (external manufacturer or production facility) to final customer delivery location.

The complexity was that the data required to build out a cost to serve tool was fragmented and located across many disparate systems including 3rd party providers. Overall, the data landscape was incomplete, inconsistent and lacked standardisation and harmonisation.

The Ask

Driven by Deliver Senior Leadership, the ask was to develop a comprehensive and automated tool to analyse the Cost to Serve by SKU with specific features and use case objectives. The request to Leading Talent was to support them in:

1. Leading the alignment across leadership on cost components and features to be included within Cost to Serve
2. Performing a landscape assessment Region by Region, capturing the system and data requirements to enable the calculation of cost components across the value chain
3. Creating an integrated plan to deliver the Cost to Serve tool incrementally by feature and region
4. Developing transformation logic that would use available data to generate activity-based costs or apportion actual costs to each value chain component
5. Produce final visualisation of Cost to Serve within unified dashboards

The challenge throughout was ensuring features built within the Cost to Serve tool were harmonized and optimised across the Globe so that comparisons from 1 market or product to another were equivalent.

Leading Talent provided a cross functional team to collaboratively develop the global metric

What did we do?



Defined the high-level vision for the Cost to Serve metric, focusing on Inbound and Outbound cost separation



Analysed Business processes and standard practices across the Client's North America, Latin America, Europe, Middle East, Africa and Asia Pacific markets to better understand the nuances to how operations could meet with a globally defined and consistent data led cost performance metric



Alignment to **One Global set of features and priorities** for incremental release of the Cost to Serve tool and further alignment to **One Global approach to measuring Outbound costs** to the final customer delivery location. Work continues to align the final Regions to a Global approach to measuring Inbound costs due to the maturity levels of each Region and variability of data granularity



Identified new data sources (i.e. Warehouse and Transportation data managing inbound and outbound goods movements) **and worked with 3rd party providers to ingest, harmonise and consume this data** for better insights on cost breakdown structures



Wrote Jira User Stories explaining the Business Requirement for each feature that needed to be developed within the Cost to Serve algorithm. Specifically detailing what data and how the data needed to be consumed and/or transformed within the Cost to Serve algorithm to deliver a specified outcome or feature



Managed scrum teams who developed the code, front end visualisations and performed systems integration testing of all technical code



Performed Business Simulation testing and managed End User Acceptance Testing of the developed code to ensure the data transformations would deliver the expected business outcome

This work build the foundation for further analytics through data ingestion, standardisation and harmonisation; it is also forecast to deliver more than \$36m in cost reduction

Outcome Delivered

One Integrated and automated Global Cost to Serve Outbound framework that calculates and present operational cost visibility across all Regions to produce a common view of cost structures comparable by Product, Franchise, Market, Region, Customer and various permutations of these filters.

Total Forecast cost reduction of \$36.5m split across various go to market channels globally, over a 3 year period.

With a **focus on the top 20 brands, Customers, Countries** this automated analytics **provided clarity into the profitability and areas for improvement** in the cost of the end-to-end supply chain (i.e. network design).

Automated allocation of costs to achieve SKU level insight beyond grouped costs for whole deliveries.

The focus on data quality, reliability and consistently providing proof of delivery data sooner resulted in **significant improvements in Transportation management** ensuring **complete traceability** of orders to final delivery at the Customer.

Data Ingestion from **five ERP** systems, **nine TMS & WMS** providers/Control Towers and **two, two-way integrations** with 3rd parties.

One Core Data Model, harmonised and standardised from across all ingested systems.

Three sets of Transformation Logic to facilitate insight to the cost elements of the end-to-end process with some deviations between the America's and rest of the world and separation of cost calculations for Inbound and Outbound logistics.

Dashboards and reports with fully integrated visualisations presenting performance data using extensive filter options. **Daily refresh** of the suite of visualisation dashboards and reports.

Support and automated Quality Health checks that validate data ingestions and data transformation Outcomes **daily** and ensure reporting dashboards refresh, fully operational and error free.

Appendix

At Leading Talent, we don't just provide solutions, we lead the way

With deep industry knowledge and a commitment to innovation, we offer strategic guidance and hands-on support to help businesses navigate complex challenges. Our team of experts works closely with clients to develop customised solutions that align with their goals, ensuring sustainable success and measurable impact.



Digital IT & Business Transformation



Project Management



Technical & Solution Architecture



Data and Analytics



Business Application Implementations



OS Deployment & System Migration



Digital Supply Chain



Business Continuity & Emergency Planning



Cybersecurity

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