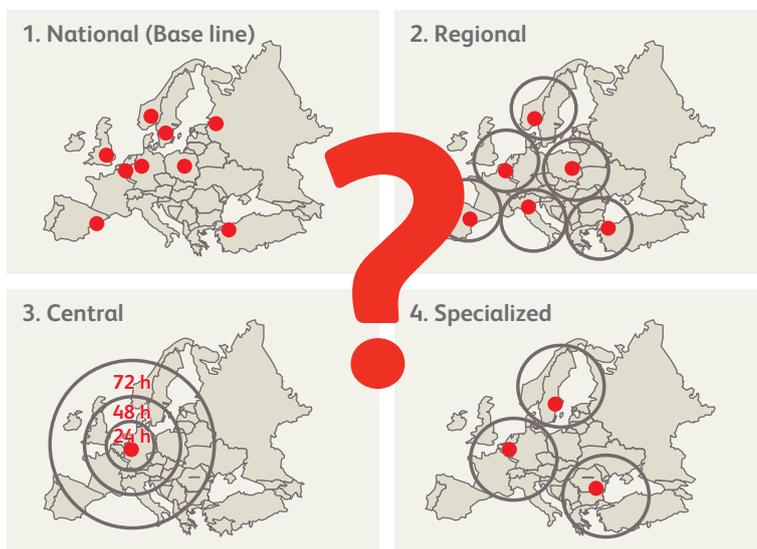


Strategic network optimization

Current challenges and trends

Today, logistic structures of big companies, as well as increasingly of medium sized companies, are driven by complex and global value chains.

Merger, acquisitions, changing political conditions and market developments make it necessary to optimize logistic networks more often than before.



Once a logistic network is given, the network is set up for a long period and is usually difficult to reverse. This is the reason why decisions should be taken professionally, based on sound foundations and with the consideration of future scenarios. Structures which are based on low energy and transportation costs, can no longer be seen as optimal as these costs have been rising significantly in recent years. Additionally, besides costs and lead times (or service levels) ecological aspects like CO₂ emissions have become a third variable for optimization.

Our support and your benefit

Together with you, BearingPoint experts will analyze the logistic network in all relevant field of actions. Our end-to-end approach for network optimization includes the following issues:

Business development and expanding new markets

- Market potential and evaluation of company's market position
- Quantification of potential
- Identification of costs to market

Cost reduction

- Optimal place and number of locations and network layers
- Reduction of transport and storage costs

Capacity planning

- Consideration of capacities within the logistic network
- Identification of future bottle necks
- Developments of actions for capacity extensions

Goal

The goal of strategic supply chain network optimization is to satisfy the customer demand under minimal costs and hence to increase profit. This can either be done by an increase of demand or reduction of costs by considering ecological aspects.

Approach

- 2–3 consultants are employed for a period of 12–14 weeks
- A classical network optimization is clustered in three phases:
 - Data gathering and validation
 - Representation and calibration of the 'As Is' situation
 - Modeling, optimization and definition of potentials for realization
- Network simulation is based on your company specific transactional data (e.g. drawn from ERP systems)
- Usage of external market data, as well as internal BearingPoint data (studies, KPI's, benchmarks)

Value proposition

- Creation of transparency within the network
- Demonstration of weaknesses
- Identification of potential efficiency improvements
- Direct determination of saving potentials
- Fast and effective entry in an optimization program

Ecology and green supply chain

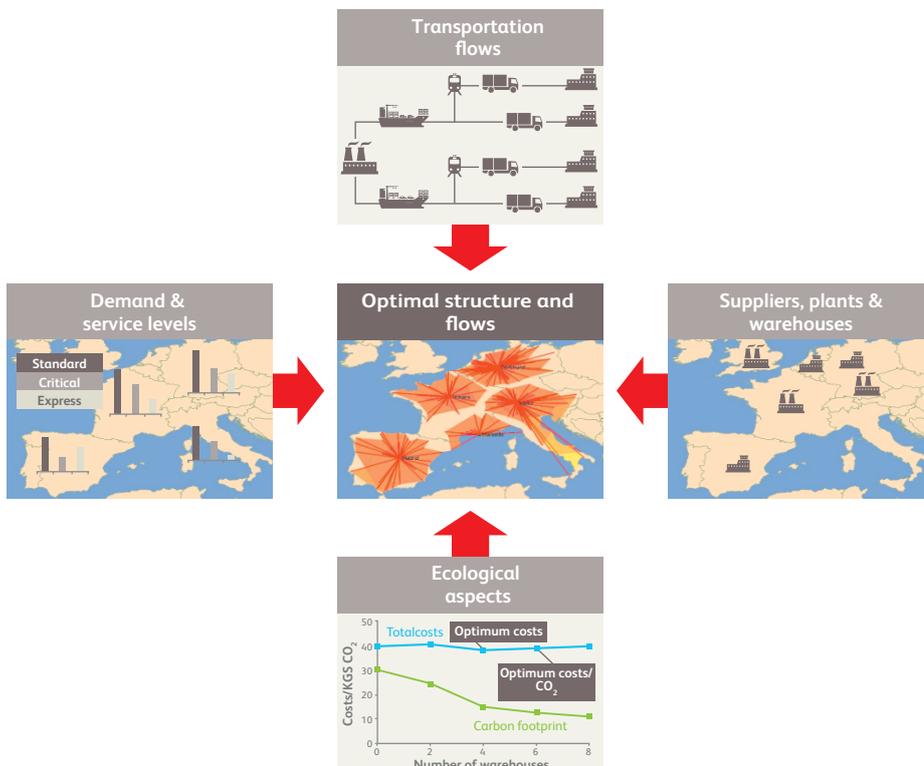
- CO₂ balance sheet and carbon footprint
- Optimal modal split
- Quantified trade off between CO₂ costs and service levels

Depending on the company's specific questions, BearingPoint uses different professional supply chain simulation tools by applying a 'best of breed' approach.

Capture – Evaluate – Optimize

Within the analysis of your processes and structures all monetary, as well as qualitative, information of your network are captured. For example, this includes current and future planned capacity and shipment data, transport modal splits, stock levels and other cost structures. When it comes to data gathering and validation, BearingPoint has a proven track record.

Our approach visualizes the 'As Is' situation of the system and calibrates and evaluates it by the parameters of costs, capacity and constraints. Based on your strategic alignment, we develop different simulation scenarios for optimization.



With the help of simulation different scenarios (e.g. decentralized, regional, centralized, green field, technological) can be evaluated quantitatively and qualitatively. Through a sensitivity analysis and 'what if' questions, additional scenarios are assessed. Finally, a management summary with recommendation actions is developed and presented. This includes a detailed documentation. The transformation of your network to the optimized scenario can be supported by BearingPoint, too.

About BearingPoint

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our 3350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

www.bearingpoint.com

Contact

Matthias Loebich
matthias.loebich
@bearingpoint.com

