

A famous French spirits company reshapes its logistics by building a greener, more resilient supply chain in China

With BearingPoint's help, the famous French spirits company now has a robust logistics supplier network and more sustainable processes across its operations in China. This positions the business to gain more flexibility and operational efficiency to address market trends and demands, while optimally mitigating any potential risk throughout its supply-chain workflows.

Uncertain times require new solutions, resilience, and flexibility

The global pandemic, shortage of raw materials, and requirements for sustainable development have all challenged enterprises to change their supply chain management fundamentally to meet market demands. Companies need to build resilient logistics and supplier networks as well as leverage cutting-edge solutions to avoid any disruptions across their supply-chain operations.

As one of the world's leading manufacturers and distributors of spirits, our client is a French group with a vast sales network in China. Unlike other businesses, the manufacturing and trading of spirit beverages need to go through strict and meticulous supply-chain processes that incur intensive use of resources and high costs. In order to ensure that the client's exclusive beverages reach customers at their renowned quality standards, bottles require special packaging and storage conditions, safe transportation, and specific traceability. This challenged the spirits company to look for new logistics solutions and rethink its supplier network in China to improve efficiency, optimize costs, and achieve higher sustainability levels in its supply-chain operations.

Optimizing the logistics bidding process to upgrade the overall supply chain

BearingPoint leveraged an extensive set of service-tendering assets - including methodology, evaluation standards, a pricing calculation engine, and contract templates - to support the global spirits company in selecting new logistics suppliers. Together with the client, the team first performed an in-depth analysis of the existing supply-chain processes and then determined the goals of the third-party logistics services. Throughout this stage, they addressed topics concerning the need for a green supply chain and innovative logistics solutions, while considering industry-specific regulations and China's logistics network layout. BearingPoint then defined the client's supply-chain service strategy and the implementation roadmap, using broad market research, a series of interviews, and quantitative logistics calculations.

The supplier-tendering activity was split into five steps based on established best practice. A logistics tendering scheme was developed, followed by consolidating the client's requirements from eight dimensions. These included warehousing operations, transportation, quality control, co-packing, value-added services, customer satisfaction, and IT development. In the pre-negotiation step, the vendor candidates were evaluated against the eight categories while also ensuring alignment with the company's overall development strategy. After assessing the price anchor, negotiation strategy, and conducting the pricing discussions with the selected suppliers, BearingPoint supported the client with bespoke contract templates and the signing procedure.

Overcoming market volatility with resilient and sustainable logistics processes

The French spirits company has now a clear understanding of its future supply-chain development strategy in China and can take informed actions to gain operational efficiency based on a comprehensive roadmap. They can now better react to market demands and overcome future risks caused by unforeseen circumstances, such as the global pandemic.

By leveraging leading practices and the newly defined CO2 reduction initiatives, the client is one step further in achieving a green supply chain to improve the environment. The enhanced logistics supplier network supports the company to implement eco-friendly practices, such as using electric cars for product transportation. At the same time, this also enables more flexibility and cost-optimization across the company's entire supply chain.

Contacts

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