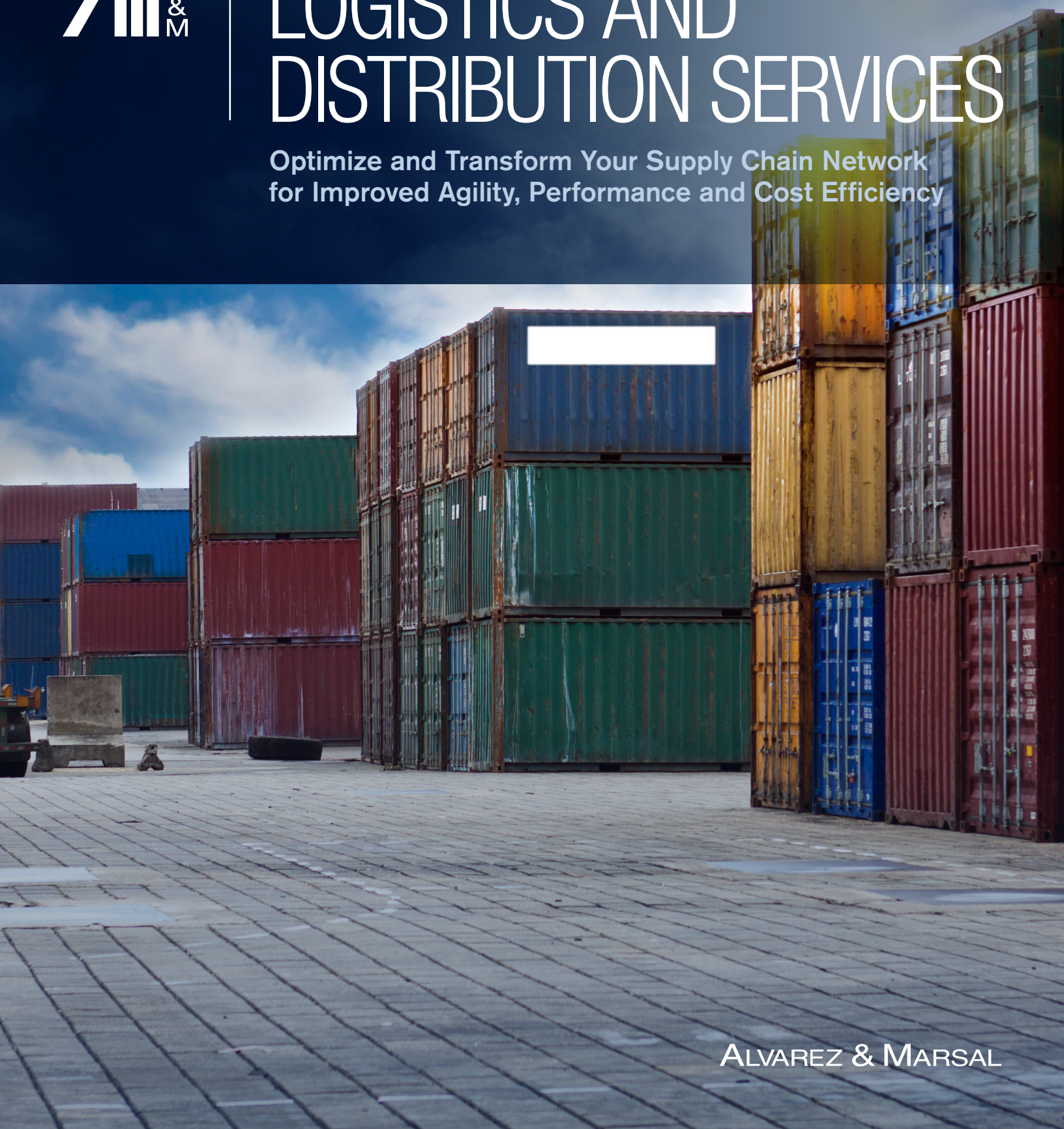




# LOGISTICS AND DISTRIBUTION SERVICES

Optimize and Transform Your Supply Chain Network  
for Improved Agility, Performance and Cost Efficiency



ALVAREZ & MARSAL





# LOGISTICS AND DISTRIBUTION SERVICES

## Optimizing cost and service to meet your logistics and distribution needs.

An evolving global network and changing customer demand present ongoing logistics and distribution challenges. Today's market demands that companies operate at peak efficiency despite increased complexities. A&M's experienced professionals deliver rapid results that reduce cost and optimize service to solve today's problems and position your logistics and distribution networks for the needs of tomorrow.

### CLIENTS CALL US WHEN:

- They need to reduce their total logistics cost while meeting or improving service levels.
- They have outgrown their existing logistics and distribution operations and need to rationalize or optimize their entire supply chain network.
- They need to significantly improve their logistics and distribution performance including evaluating alternative operating models and outsourcing arrangements.
- Their current 3PL/4PL provider is underperforming and/or needs to be replaced.
- They are challenged with creating efficiencies as a result of increased e-commerce or omni-channel distribution complexities.

### CORE SERVICES INCLUDE:

#### RAPID COST REDUCTION

Clients turn to us when they need to remove or reduce costs quickly and intelligently. From sourcing to asset management, we work shoulder-to-shoulder with management to find and make speedy and sustainable improvements in EBITDA, cash flow and organizational efficiency.

- Transportation and Distribution Sourcing
  - Freight (FTL, LTL, Ocean, Air, Intermodal / Rail), Small Parcel and 3PL
- Consumption and Demand Management
- Asset Management and Maintenance

#### NETWORK STRATEGY AND DESIGN

When distribution networks no longer meet the needs of the business, it's time for a change. Our teams help clients identify network improvements, completely overhaul their existing network to meet customer demand and service expectations or realize synergies following a merger, acquisition or divestiture.

- Network Optimization
- Service Delivery Model Design and Execution
- Merger, Acquisition and Divestiture Services
- Omni-channel Design and Implementation

#### OPERATIONAL EXCELLENCE AND TRANSFORMATION

A&M transforms clients' logistics and distribution capabilities in response to major strategic, technological, organizational or market disruptions and helps drive tangible results through service level optimization and continuous improvement. We apply a pragmatic, end-to-end approach and use data-driven methods to help clients identify and address the root cause of performance issues.

- Operating Model Design and Execution
- Performance Metric Design
- Organization and Process Improvement
- Logistics and Transportation Technology Selection and Implementation
- Insource / Outsource Evaluation and Optimization
- Interim Management

## SUCCESS STORIES

### LOGISTICS AND DISTRIBUTION TRANSFORMATION TO MORE THAN DOUBLE EBITDA

A leading sustainable cleaning products company engaged A&M to help increase EBITDA across its entire logistics and distribution operations and other COGS related spending. A&M sourced multiple modes of transportation (Truckload, LTL, Intermodal and Ocean) as well as product warehousing and distribution, delivering savings of 15% across the transportation network. Additionally, A&M evaluated the use of a dedicated bio-diesel fleet and determined that client expenses were higher than a comparable outsourced model. As a result the client was able to reduce their dedicated fleet expenses by more than 65%. A&M completed a network optimization analysis and recommended infrastructure changes to scale the business effectively for expected growth. Overall, the project delivered a 120% improvement in company EBITDA when combined with other spend sourced.

### NETWORK IMPROVEMENTS DELIVER \$12MM IN SAVINGS

An \$11B global rolled aluminum products manufacturer expected a significant shortfall in EBITDA and was actively pursuing cost savings opportunities. They engaged A&M to analyze \$200M in logistics and distribution spend for savings opportunities and to optimize their logistics network. The A&M team modeled current spend and identified multiple cost savings opportunities. Based on the assessment, A&M constructed a 2 year strategic roadmap to reduce costs, mature the client's logistics capabilities and increase EBITDA through network improvements. Over the next year, A&M partnered with the client to produce \$12M in savings through five performance improvement projects including shipment planning and execution, strategic sourcing, operating model development, KPI implementation and TMS selection.

### NEW DATA AND REPORTING CAPABILITY ENABLES 20% COST REDUCTION

A multi-national Engineering, Procurement and Construction (EPC) company hired A&M to design a data and reporting framework that would allow them to monitor and compare performance among its many subsidiaries. A&M worked with the client to define fleet-related metrics, a measurement and data plan and reporting processes that provided new visibility into cost saving opportunities and subsidiary best practices that could be implemented to improve enterprise performance. Overall improvements led to significant cost reductions of over 20% across multiple equipment spend categories.

### NEW OPERATING MODEL DELIVERS SAVINGS AND SUPPORTS CLIENT'S GROWTH

A leading specialty food and beverage manufacturer, distributor and retailer engaged A&M to identify opportunities to reduce their increasing supply chain costs. A&M strategically sourced freight and small parcel and re-specified a high-cost priority air freight service. The result was a 35% reduction in addressable spend. Three years later, the company had doubled in size, and the logistics and distribution operating model could not scale effectively in terms of service level or cost. A&M and the client worked collaboratively to develop a national and regional carrier strategy by converting the current LTL delivery model to a hub-and-spoke model to optimize transportation modes producing over 15% cost reduction across the entire network while maintaining current service levels. Additionally, A&M developed a plan for a second production facility to support expansion to East Coast markets and an evaluation of outsourcing internal warehousing and distribution operations.

**"A&M helped create a logistics vision and strategy that would evolve as our company grew and matured. Their senior team brought a balance of best practices and industry experience, enabling them to transform our strategy into action. With A&M's support, Peet's reduced its logistics costs by over 20%."**

— Shawn Conway COO, Peet's Coffee & Tea

**"A&M worked alongside our team to develop a strategic roadmap, accelerate savings and enhance capabilities. The new model positions Logistics as a strategic lever for the business."**

— Emilio Braghi, Vice President Operations, Novelis North America

**"The A&M team drove rapid results and improvements across our entire supply chain. A&M's experienced team brought deep category expertise, an accelerated pace of change and a collaborative style that pushed our team to uncover and close gaps and inefficiencies across our supply chain including warehousing, distribution, network design, bio-diesel fleet and other modes of transportation."**

— Garry Embleton, VP Global Operations and Supply Chain, Method Home Products

## WHY CHOOSE A&M?

### Solving complex problems is in our DNA.

After 30 years of resolving some of the most urgent challenges in business history, we've honed critical expertise that clients at all levels of maturity can use to achieve rapid results.

### Senior-level operations experience.

Our leaders, many of whom have held senior leadership positions in industry, have the experience and credibility to get to the heart of the issues quickly and then take a hands-on approach to execution.

### Urgency for action and results.

Our clients frequently comment that we drive change and rapid results where internal teams and other consultants have failed.

### Objective and independent.

We are supplier and technology agnostic. A&M offers objective, credible advice you can trust to be in your best interest, not ours.



## INTEGRATED DEMAND AND SUPPLY PLANNING PRACTICE LEADERS



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### ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to make change and achieve results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services.

With over 3000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

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When action matters, find us at: [www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)

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