



**Customer-based Distribution Network Model**

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**Our understanding of Gillette's RFP is based both on the issued document and on subsequent discussions with Jim McDonnell.**

### **Gillette's requirements**

1. 8 week review all business units across Europe
2. Provide a Customer focused analysis of the distribution network assuming 4% growth
3. Assess the implications of customer service challenges on the distribution network
4. Define future business scenarios to model supply chain nodes and impacts
5. Identify Quick Wins opportunities and approximate value
6. Propose recommendations & actions
7. Handover of Modelling tool
8. **Completion of Deliverables by October 11th**

### **Accenture's recommendations**

1. Focus on key product segments with each of the business units
2. Focus on key customers per market to achieve results in 8 week timeframe
3. Focus on key markets within Europe to enable generation of useful data & insights within the 8 week timeframe
4. Use Accenture & Gillette resources to define 'to-be' customer scenarios
5. Identify Quick Wins, recommendations & actions with approximate value
6. Use a easily configurable tool to assess distribution network impacts
7. Handover of Modelling tool
8. **Completion of Deliverables by October 11<sup>th</sup>**

# Project Options

**In the light of what can be achieved within an 8 week timeframe, the following project delivery options could be considered.**

- **Option 1 – Managed Scope**

To keep to an 8 week deadline, a reduced scope will be required. This will mean that a focused market and customer review will be made. **This document details our proposal for this option.**

- **Option 2 – Increased Resources**

In our experience to achieve a European-wide review of Gillette's network and customers within 8 weeks is very ambitious. Even additional resources would not necessarily mean that the deadline would be met. We do not recommend this option.

- **Option 3 – Extended timescale**

This approach recommends extending the length of the 8 week programme by 8 weeks to allow a detailed study of the broader European distribution network.

# Key Risks and their Mitigation

Throughout the project risks must be proactively managed....

Key Risk/issue	Risk/Issue Mitigation
Scope creep	<ul style="list-style-type: none"> <li>■ Define and formally sign off scope in mobilisation phase</li> <li>■ Define formal scope change control process</li> </ul>
Appropriate Gillette resource are not made available for interviews / workshops	<ul style="list-style-type: none"> <li>■ Prioritisation &amp; visibility of of this project</li> <li>■ Stakeholder/Resource provider communication</li> <li>■ Commitment from key business contacts who will provide input</li> <li>■ Steering Committee/Key stakeholder support</li> </ul>
Data collection is complex due to multiple data sources and formats	<ul style="list-style-type: none"> <li>■ Up front agreement of data templates</li> <li>■ Appoint lead data collection &amp; validation responsibility by area</li> <li>■ One key data contact in core project team</li> </ul>
Data is not made available in required timeframes and level of accuracy is insufficient	<ul style="list-style-type: none"> <li>■ Allow adequate time for data collection and validation</li> <li>■ Discuss data availability prior to issuing data templates</li> <li>■ Dedicated resource assigned to data collection</li> <li>■ Some hand holding/checkpoints in the data collection process</li> <li>■ Validation against e.g. P&amp;L</li> <li>■ Sign off of data set by key business representatives (communicate this expectation at beginning of the project)</li> </ul>
Data collection involves 3 <sup>rd</sup> party service providers who become suspicious	<ul style="list-style-type: none"> <li>■ Use internal data sources where possible</li> <li>■ Maximise lead provider data</li> </ul>

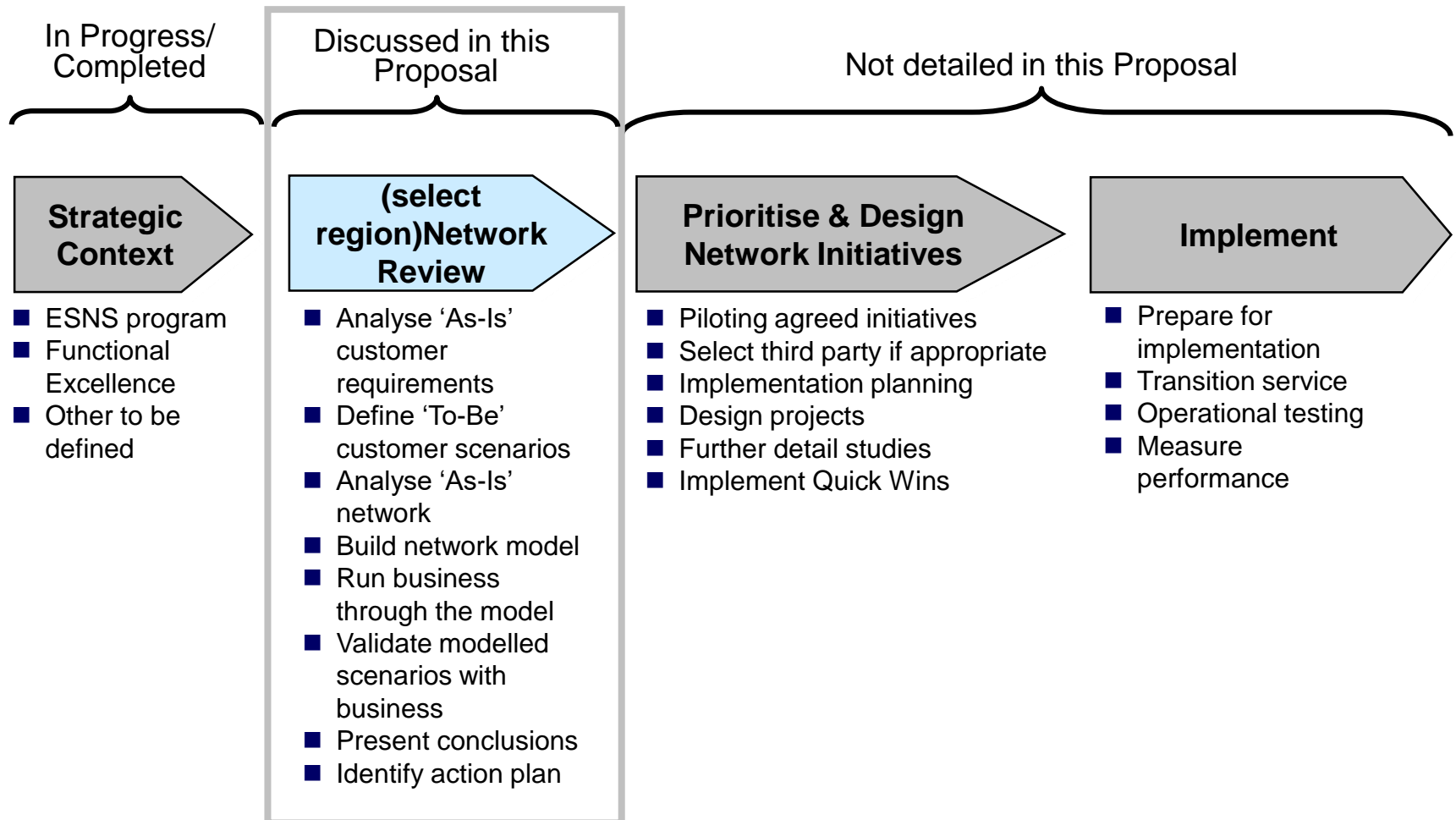
# Key Risks and their Mitigation

## ....and mitigated

Key Risk/issue	Risk/Issue Mitigation
Constraints not identified until late in the project	<ul style="list-style-type: none"> <li>■ Ensure rigorous process of constraint identification during “As Is” Network Phase</li> <li>■ Ensure sign off of constraints by appropriate Gillette personnel</li> </ul>
High number of “To Be” network scenarios	<ul style="list-style-type: none"> <li>■ Involve key knowledge holders in determining the most appropriate future scenarios to be modelled</li> <li>■ Document and clearly understand the logic for each scenario</li> <li>■ Focus on a quality not quantity</li> </ul>
“To Be” scenarios are too blue sky	<ul style="list-style-type: none"> <li>■ Involve senior management in defining scenarios</li> </ul>
“To Be” scenarios are not aligned with business strategic vision	<ul style="list-style-type: none"> <li>■ Provide project team with insight into business strategy</li> <li>■ Involve senior management in defining scenarios</li> </ul>
Subjective and influential pressure in determining the optimum “To Be” network	<ul style="list-style-type: none"> <li>■ Define and sign off scenario evaluation criteria and weighting</li> </ul>
There is no business buy in (most importantly for subsequent implementation)	<ul style="list-style-type: none"> <li>■ Ensure sufficient time for buy in/politics</li> <li>■ Ensure the right stakeholders are identified up front</li> <li>■ Communication of intent to key stakeholders</li> <li>■ Involve appropriate stakeholders in developing future options</li> <li>■ Produce a clear and unbiased business case</li> </ul>
Recommended solution does not meet actual business requirements	<ul style="list-style-type: none"> <li>■ Ensure proposed network can accommodate seasonal variations in volume</li> <li>■ Stress test model with best case forecasted business volumes (2 yr projection)</li> </ul>

# Project Approach

We have based our approach upon our proven Business Integration Methodology for network analysis.



# Project Approach

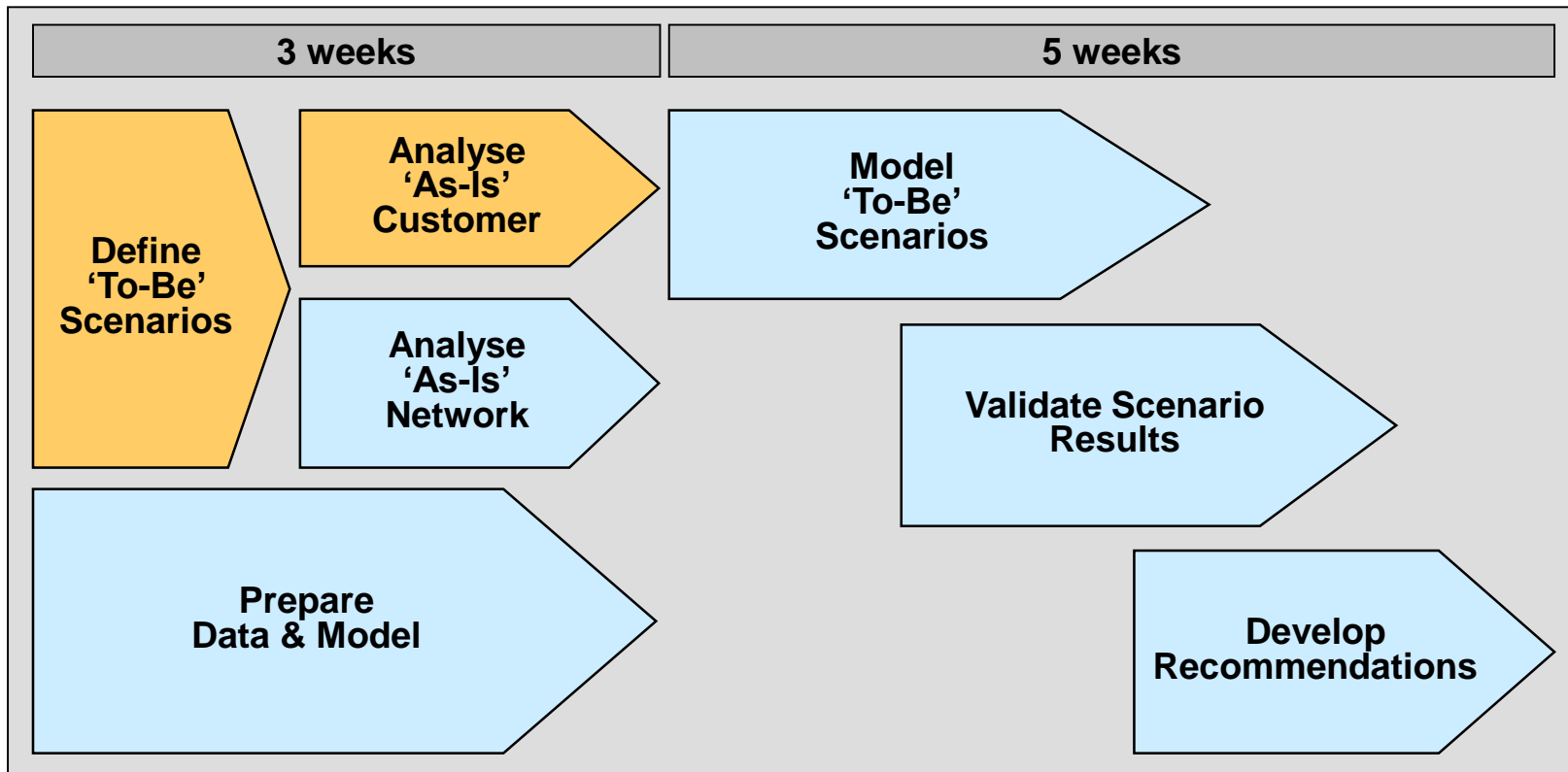
## **Our recommended approach given the timescale is to use an expert workshop driven process supported by the network strategy and modelling study**

- Focus effort on understanding and review few high priority 'To-Be' Scenarios
- Using European wide CPG and Retail (company name) experts
- Running key workshops to develop Customer business scenarios, supply chain network options and ensure business buy in to the analysis
- Involve (company name) key Commercial stakeholders to provide as much insight as is known to develop some key assumptions and scenarios and ensure a cross functional approach.
- Select one of Accenture's excel based network modelling tools and focus the analysis on specific customer business scenarios in specific geographic locations pragmatically – use of a full nodal analysis tool would take much longer than the time available.
- To focus primarily on the secondary network without precluding options to switch inventory between the supply an secondary warehouses



# Project Approach

There will be seven key components to the work



# Define 'To-Be' Scenarios

The 'To-Be' scenarios will be defined through workshops involving both Commercial and Supply Chain resources

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>• Commercial &amp; Sales resources</li><li>• (company name) Supply Chain resources</li><li>• (company name) subject matter experts</li><li>• Outputs from on-going (company name) supply chain projects<ul style="list-style-type: none"><li>- ESNS</li><li>- Functional Excellence</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Define the scenarios through cross functional workshops</li><li>• Use (company name) subject matter experts to identify 'to-be' business scenarios and volumes</li><li>• Define priority markets and customers through workshops</li></ul>	<ul style="list-style-type: none"><li>• Agreed &amp; prioritised set of business scenarios</li><li>• Agreed set of assumptions</li><li>• Agreed list of major customers</li><li>• Agreed list of markets</li><li>• Agreed set of Products to be analysed as part of study</li><li>• Agreed set of criteria for model to meet</li></ul>

# Prepare Data & Model

**(company name) will build and design the network model using (company name) provided data**

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>• Agreed 'To-Be' scenarios</li><li>• Current Data templates</li><li>• SAP Data</li><li>• Non-SAP Data</li><li>• Prior Accenture excel models</li><li>• (company name) IT resources</li><li>• (company name) business resources</li></ul>	<ul style="list-style-type: none"><li>• Confirm Data templates</li><li>• Review and cleanse data from SAP and non-SAP systems</li><li>• Verify data sources</li><li>• (company name) to gather data from systems and other sources</li><li>• Validate data with key business resources</li><li>• Define and build data model to support network review</li><li>• Calibrate model</li></ul>	<ul style="list-style-type: none"><li>• Model built</li><li>• Cleansed Data</li><li>• List Data gaps and key assumptions</li></ul>

**Interviews and site visits will be carried out to gain a rapid understanding of the (select region) distribution network**

<b>Inputs</b>	<b>Activity</b>	<b>Outputs</b>
<ul style="list-style-type: none"><li>• Agreed 'To-Be' scenarios</li><li>• (company name) supply chain resources</li></ul>	<ul style="list-style-type: none"><li>• Carry out interviews and site visits</li><li>• Gather cost and operational information about the supply network</li><li>• Confirm key processes that are in scope</li></ul>	<ul style="list-style-type: none"><li>• High level volumes and costs</li><li>• Agreed network scope diagram</li><li>• Develop high level product flow diagrams</li><li>• Issues and Opportunities</li></ul>

**Workshop and interviews will help define the current and future (2 year horizon) customer requirements that will impact (company name) 's supply network**

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>• Agreed 'To Be' scenarios</li><li>• Key Account Manager for the major customers</li><li>• SAP and Non-SAP data</li><li>• (company name) subject matter experts</li></ul>	<ul style="list-style-type: none"><li>• Understand potential changes over next 2 years</li><li>• Perform data analysis to provide further customer information</li><li>• Workshop to agree to list of requirements with Gillette and Accenture subject matter experts</li><li>• Document specific service policies &amp; fill rate targets</li></ul>	<ul style="list-style-type: none"><li>• Documented list of customer requirements</li><li>• Agree list of 'to-be' requirements per major customer</li></ul>

# Model 'To-Be' Scenarios

(company name) will run the scenarios through the network model

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>• Agreed 'To-Be' scenarios</li><li>• Cleansed data sets</li><li>• Built model</li><li>• Cost Data</li><li>• (company name) resources to run scenarios</li></ul>	<ul style="list-style-type: none"><li>• Run agreed 'To-Be' scenarios through excel model</li><li>• Workshop interim results with (company name) business to sense check outputs</li></ul>	<ul style="list-style-type: none"><li>• Modelled 'To-Be' scenarios</li></ul>

# Validate Scenario Results

(company name) resources will be used to validate the results from the model

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>• Modelled 'To-Be' models</li><li>• (company name) business resources</li><li>• (company name) subject matter experts</li></ul>	<ul style="list-style-type: none"><li>• Carry out a sensitivity analysis of the model</li><li>• Workshop preliminary results</li><li>• Feedback refinements to modelling team</li><li>• Workshop final results with (company name) subject matter experts</li></ul>	<ul style="list-style-type: none"><li>• Validated set of modelled scenarios</li></ul>

# Project Conclusions

**Recommendations and actions plans will be develop through analysis of the model and insights gained over the project**

Inputs	Activity	Outputs
<ul style="list-style-type: none"><li>Validated 'To-Be' modelled scenarios</li><li>Cost Data</li><li>(company name) business resources</li><li>Accenture subject matter experts</li></ul>	<ul style="list-style-type: none"><li>Build up Supply network recommendations based on validated 'To-Be' scenarios</li><li>Assess feasibility of recommendations based on cost &amp; operational realism</li><li>Workshop to define recommendations &amp; potential actions</li></ul>	<ul style="list-style-type: none"><li>Presentation of recommended actions</li><li>Operational &amp; costing analysis</li><li>List of tactical actions</li><li>Potential next steps</li></ul>



# Project Deliverables

The project will provide (company name) with the following deliverables

