

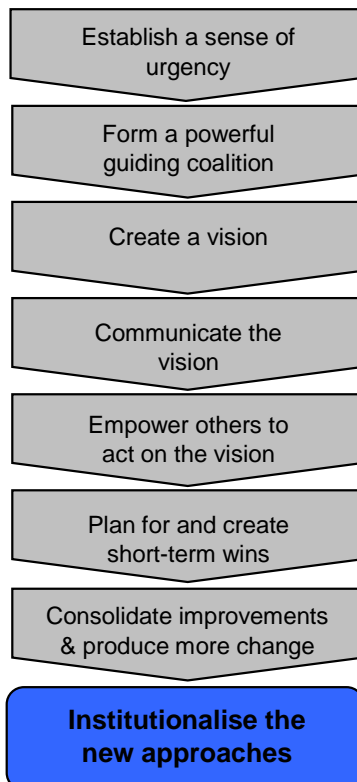
CHANGE MANAGEMENT – NDC OUTSOURCING

CLIENT BACKGROUND

Following a strategic review, our client, a pet products manufacturer and wholesaler, made the decision to outsource their National Distribution Centre operations.

In a flat market they needed to convert the high fixed costs of their own operation into the variable costs of a third party logistics provider. HWP assisted the client in the selection of a suitable provider, negotiated the surrender of their lease and designed, planned and implemented all of the operational, organisational and behavioural changes required.

The most suitable third party logistics



provider was identified by a tender process, with the successful bidder located some distance from the existing NDC, which meant that the likelihood of staff transferring was low. This magnified the scale of the change and placed a premium on ensuring that the operational transfer was meticulously planned and the contract management processes were understood and in place from the outset.

APPROACH AND METHODOLOGY

HWP proposed a tried and tested approach to the management of the impending changes, broadly following the well-known Kotter methodology.

Given the cost position and the required timescales for vacating the existing NDC, creating a sense of urgency was not difficult. However, the complexity was compounded by the fact that the new tenant was to begin occupation of the property whilst the transfer was taking place.

It was crucial therefore to establish a strong steering group to identify the key objectives and milestones and to create and communicate the end vision. Given the position of existing staff this had to be handled sensitively but pragmatically.

Detailed planning and communication was key but so too was the transfer of skills and knowledge to the third party logistics provider. Inevitably this required the input and involvement of the client's staff at all levels, very often working independently.

The transfer was phased over a period of weeks, with discrete customer groups being moved from the old to the new operation progressively. Customer service and cost metrics were tracked throughout and each successful stage was highlighted and recognised.

RESULTS

As a result of meticulous planning and following a formal change management process, HWP were able to assist the client in not only achieving their objective of converting their high fixed costs to lower variable costs, saving around 20% in operating costs, but also maintaining customer service levels throughout the transfer. Key to that was being able to retain the support of existing staff throughout the process.

Harold Whitehead & Partners

Harold Whitehead & Partners enable our clients to achieve their strategic objectives and improve their operational effectiveness and profitability, by successfully implementing their change initiatives.

Founded in 1929, we are the longest established, independent, professional management consulting firm in the UK. The profile of clients and consulting activities has changed over time but our commitment to harnessing expertise, delivering client-focused results and applying acknowledged standards has remained constant. As Harold Whitehead himself put it in 1923, focused professionalism and the positive qualities of "service and constructive suggestion" still hold true for us today.

Another of his principles that has stood us in good stead is to never pre-judge or assume. Every organisation is unique and the decisions they face are specific to their particular situation. This precept is central to our approach and, based on it, we have delivered benefits worth many millions to our clients and provided savings many times in excess of project costs.

Harold Whitehead & Partners
St Stephen's House
Arthur Road
Windsor
Berkshire
SL4 1RU

T: 01753 853336
www.hwp.co.uk