



## Industrial Manufacturer Supply Chain Network Design

### Highlights



- Helped design and implement a Network Design analysis tool to model and analyze different supply chain what-if scenarios
- Client was able to evaluate over 50 what-if scenarios due to efficiency of model
- Client has made significant supply chain changes as a result of the what-if tool, including the opening and closing of facilities

**The Challenge:** Faced with complex supply chain design decisions, a leading industrial manufacturer lacked an effective method to evaluate the options available and make sound business decisions. Additionally, in a market driven by extreme competition between a small number of known competitors, the client sought to perform a competitor analysis to understand the potential impact of competitor's supply chain decisions on their business.

**The Approach:** Based on previous work for the client, Spinnaker was engaged to help design and implement a Network Design analysis tool that could be used to model and analyze different what-if scenarios using Oracle's Strategic Network Optimization (SNO) supply chain modeling software.

**The Recommendations:** The what-if model Spinnaker developed provided a tool that can be easily used to evaluate the follow changes in the client's supply chain and market environment.

- The addition or removal of warehouses/production facilities
- Changes in manufacturing capacities at existing facilities
- Increases/decreases in demand by product line and/or geography
- Changes in cost
- Changes in total market demand
- Changes in current and potential competition sites
- Increases and decreases in competitors' capacity.


Additionally, the tool allows the client to optimize the what-if scenarios based on full-cost for manufacturing and distribution, variable-cost, or zero manufacturing cost.


**The Results:** Prior to engaging Spinnaker to develop this tool, supply chain what-if scenarios analysis took either weeks to complete manually or did not occur due to the effort required. Since going live with the SNO what-if model, the client has evaluated over 50 what-if scenarios with the average scenario taking less than a day to model, solve, and analyze. Based on this analysis, significant supply chain changes have been made including the opening and closing of facilities to reduce costs and increase customer service.

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**About Spinnaker:** Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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