

## **Developing and Implementing Radical Improvements in Despatch Performance**

### **Situation**

Allied Bakeries had recognised the scope for improving customer service and reducing costs by changing the processes, methods of working and systems for the daily despatch and delivery of a third of the bread products sold in the UK. This change was to be delivered by a multi-stream project (Project Diamond), utilising a voice activated warehouse management system (WMS) and real time creation of PODs at the customers' goods receiving points. Late in 2003 the manager responsible for the project resigned, and Stephen Graham-Weall was selected as Interim Programme Manager to complete the project.

He started with a thorough review of the status of the project work streams, which showed that there were flaws in the WMS IT software and 'on van' terminals. Equally seriously there was no plan for engagement with site general management at the 11 bakeries, no plan for the user training of managers and operatives, and no schedule for the rollout of the programme at the individual bakeries. There was a general expectation that the first site would transfer to the new processes and systems in a 'big bang' in two months time. It was clear that this would not succeed.

### **Solution**

An action plan was developed in conjunction with the Project Sponsor and AB functional teams and contractors. The principles of the action plan were:

1. Managing the boards expectations of the project and programme
2. Preparing an agreed and achievable outline project calendar and milestones
3. Sharing information about Project Diamond with the site general management so that they were aware of the impact and benefits
4. Creating the awareness that a major cultural change was that customer delivery scheduling was to feed back in to production planning, instead of production being planned on a unit cost only basis
5. Identifying one site as pilot/development site and a second site as pilot for the rollout of the complete programme
6. Setting a sequence and time table for the roll out to the remaining 9 bakeries
7. Prioritising the development and testing of the WMS software by functional module
8. Positive management of the hardware issues
9. Establishing a plan for migration from the existing methods of operating (different from site to site) to the point when the new systems could be rolled out
10. Need to change working patterns (shift times) and work methods to achieve benefits of new systems
11. Preparing standard operating procedures (SOPs) for use with the new systems
12. Compiling management, supervisor and operator training for utilising the new systems and optimising performance.

The action plan combined all these elements, some sequentially (such as 1. & 2.) and others concurrently

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### **Results**

The benchmark at the start of Project Diamond was that, for every 100 units ordered, 103 were produced and customers paid for 97. By the end of the assignment, when the systems were fully live at 4 sites, they were achieving 100/100/98.5, saving 4.3% in direct costs.

There were further, indirect, savings from the abolition of the need to reconcile orders/PODs/invoices (estimated as 20 personnel at those sites). There were further savings from increased despatch productivity, quicker van turn around at customers, and increased orders from customers more confident in service levels.