

press release

Melbourne, May 2011

GRA gets SMART

Premier supply chain consulting firm GRA has been named as a finalist in the 2011 SMART awards in the category of Excellence in Supply Chain Management and Distribution. GRA was nominated for its work with Symbion Pharmaceutical Services (SPS) for the successful completion of a project to reduce inventories and improve service levels using GAINS demand planning software.

The SMART conference and expo is the leading event in the Asia-Pacific region for those in the supply chain and logistics industry and will be held on May 25 and 26 at the Sydney Convention & Exhibition Centre.

GRA Partner, Steve Bray, and Deputy Director of Naval Inventory Procurement, Andrew Stephens, will present on 'Achieving Improved Supply Chain Performance through Organisational Transformation' on Day 2 of the conference. The implementation of major change within a long standing government organisation is never easy. Mr Bray and Mr Stephens will discuss the challenges, successes and lessons learned, and will cover the initiatives taken to improve the efficiency and effectiveness of the Naval supply chain through organisational transformation and improved supply chain planning.

"SMART provides an excellent snapshot of the state of play within Australian and Global supply chains" said GRA Partner Carter McNabb. "We have been involved with SMART for many years and look forward to continuing the tradition." In 2011 GRA will sponsor morning and afternoon teas at the SMART exhibition.

Held every two years since 1993, the SMART conference is a unique learning and networking environment for industry professionals. The event regularly attracts over 800 decision-makers to hear the latest information in supply chain and logistics management best practice, infrastructure developments and commercial innovation. The exhibitions running alongside the Smart Conference are popular with delegates, buyers and visitors. This year's Smart Conference is themed 'The Road Ahead: Supply Chain Models for the Future'.

Profile GRA:

GRA is Australia's premier specialist supply chain and logistics consulting firm. Founded in 1997, the company offers expert consulting, professional services and advanced planning systems across a broad range of industries throughout the Asia Pacific region.

GRA provides its clients with a competitive advantage by significantly improving margins, asset efficiency and supply chain responsiveness. Work undertaken is at strategic, operational, systems implementation and training/education levels. Using proven methodologies for delivering real working capital, cost and service level improvements, GRA's focus is bringing about real change and sustainable benefits for its clients.

GRA's clients include Amcor Fibre Packaging, Australian Defence Forces, Australia Post, Cadbury, Cement Australia, Cummins Engine Australia, Fosters Australia, Honda Australia, Hunter Valley Coal, Mitre 10, Nestle Australia, OneSteel, Qantas, Reece, Sara Lee Australia, Super Retail Group and Wesfarmers Industrial & Safety (Blackwoods).

Further information about GRA's SMART Award for Supply Chain Excellence:

Major results and achievements of the GRA-SPS project:

Inventories reduced by 26% whilst first-fill service levels (excluding manufacturer stock-outs) increased from 96% to more than 97%.

Noting that inventories are a significant item on the balance sheet, the inventory reduction boosted return on assets (ROA) whilst freeing up capital, and the increase in stock turns improved supply chain efficiency.

Forecast accuracy has also improved markedly. SPS is now managing by exception and operating with less inventory, improved service levels and lower costs. A good result and sustainable over time.

Last but clearly not least are the cultural aspects of the implementation. SPS had a deeply entrenched buying culture, as distinct from a demand, inventory and service-management culture. When they started using GAINS, their buyers managing both the forecasting and replenishment activities, However, the historical focus on buying remained, and the new 'world order' of demand management proved difficult to instill.

To ensure the right people were doing the right things, SPS made a distinction between the demand planning and replenishment roles and revised the team's performance measures accordingly. Now the company has a demand planning team that works closely with merchandising and a replenishment planning team that works closely with supply chain and logistics. SPS has found that this reorganisation has put the necessary emphasis on each process and created time for value-added communication with other nodes in the chain.



Supply Chain Strategy,
Planning & Execution

In addition, SPS revised the management structure and processes to provide the necessary checks and balances in the planning processes. They implemented a sales and operations planning (S & OP) process to manage demand and supply trade-offs, address capacity issues and plan for future scenarios. The business is now working with a consistent set of numbers, and their key performance indicators are linked and auditable from top to bottom.

Genuine behavioural change required dedication, discipline, patience and passion. Despite "old world" behaviours and practices being firmly entrenched, SPS together with GRA was able to successfully transition to new cultural practices in a sustainable way.

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