

Austin, Nichols & Co., Inc.

New York, New York

Client

Austin, Nichols and Company is a manufacturer, bottler, and distributor of non-alcoholic beverages that include YooHoo and Orangina, along with several regional brands.

Problem Statement

Due to aggressive growth and customer service goals, Austin, Nichols had developed a network of forty-six third party distributors in order to develop new markets. However, this network was not scaled back after the markets were established and Austin, Nichols was having problems tracking inventory and getting the right product in the right place at the right time.

Scope-Of-Work

Tompkins Associates was brought in to redesign the distribution network, improve customer service, streamline warehousing operations, and locate the ideal site for a fourth manufacturing plant and distribution center (DC).

The Distribution Center Strategic Master Plans included:

- Analyzing the present distribution network to identify actual costs and procedures
- Maximizing the storage capacity at each of the existing three facilities and improving the material flow at each location
- Determining the ideal distribution network
- Projecting future sales and customer requirements by state
- Reviewing the capabilities and value of all existing third party warehouses
- Creating a plan of action to transition to the new distribution network
- Analyzing all Austin, Nichols order profiles, volumes, and expected and projected growth for each facility

Results

Tompkins Associates recommended Austin, Nichols close all but 14 of the third party warehouses and build a fourth DC in Wytheville, Virginia. The projected savings for all changes to the Austin, Nichols distribution network resulted in over \$3 million in annual savings and justified the construction of the fourth facility.