

DelMonte Foods UK

West Lynn, United Kingdom

Client

DelMonte Foods UK produces and distributes a variety of fruit juices under its own brand name as well as private brands for many retail supermarket chains.

Problem Statement

DelMonte's growth had resulted in the company's current National Distribution Center (NDC) becoming utilized beyond capacity. A variety of other growth-related factors were causing the current facility to have a negative impact on the DelMonte operation. With the current NDC lease nearing expiration, DelMonte retained Tompkins Associates to develop a Logistics Strategic Master Plan that would address the current challenges and accommodate the forecasted business growth.

Scope-Of-Work

Tompkins developed a Logistics Strategic Master Plan that encompassed all logistics activities from the port of entry to dispatch to the customer: The major tasks involved in developing the plan included:

- Worked with DelMonte to brainstorm and qualify practical distribution alternatives and refined alternatives through a centroid analysis plus demographic survey
- Determined total annualized operating costs including inbound and outbound transportation, space, labor, and equipment as well as potential severance costs for each potential configuration option
- Developed capital investment requirements and annual operating costs, taking into account the costs associated with various manufacturing/distribution scenarios and third party logistics
- Assessed the various alternatives using economic analysis and qualitative analysis techniques

Results

Tompkins' recommended plan defined the optimum NDC location for DelMonte along with a facility design that was the best fit for its operational requirements. In addition, Tompkins provided the costs and benefits of utilizing a third party distribution provider at the new facility. These resulted in DelMonte outsourcing the distribution function and further enhancing the savings of the network reconfiguration.
