

CASE STUDY



**enVista Provides  
End-to-End Supply  
Chain Optimization  
for American  
Multinational Food  
Manufacturer**





**Fortune 500 food manufacturer leverages enVista's inventory management, transportation modeling, facility design and project management optimization during organizational transformation**

## **The Company**

enVista's client, a long-standing American multinational food manufacturer, produces and markets convenience foods and snack foods, including crackers, toaster pastries, cereal and more. Recently, the manufacturer finalized the separation of its business, resulting in two independent public companies.

One of these companies is a leading food company in the U.S., Canada and the Caribbean, while the other is a global snack company with a leading presence in international cereal and noodles, as well as North American frozen foods.





## The Opportunity

During the process of splitting into two separate companies, the manufacturer needed to make significant changes to its supply chain network. Due to the complexity of the project and the number of moving pieces and partners that were engaged in it, the client needed a partner that could optimize its end-to-end operations, from inventory to transportation, facility design and more. This is where enVista came in.

Due to our longstanding, valued partnership, the manufacturer selected enVista to optimize several areas of the transition. Its end-to-end supply chain expertise made enVista a single, trusted partner that could manage the client's many different needs. Not only would enVista be trusted to provide strategic solutions across inventory, transportation and facility design, but also to provide project management optimization (PMO) services, keeping the project on track, aligned across all parties and eliminating the risk of duplicated work with so many different teams involved.





## enVista's Solution

After assigning separate distribution centers (DCs) to each brand, the client engaged enVista to complete inventory modeling, transportation modeling, facility design and project management optimization for both brands.

### INVENTORY MODELING

Prior to enVista joining the project, the manufacturer had worked with another third party to complete an analysis to determine which distribution center would be assigned to each brand. Because each of these companies would now consist of distinct product types, each distribution center would both lose and add a significant number of SKUs based on which company it would now serve.

After the DCs were assigned, enVista's team entered the project to complete an inventory analysis, determining which products, volumes and customers would be served out of each DC. enVista's team used several different factors, such as transportation costs and inventory turns when assigning inventory to the DCs. The team also worked alongside facility design to develop alternative approaches for material handling including automation and additional types of racking.

### TRANSPORTATION MODELING FOR NETWORK

Due to the new volumes of inventory, the two food brands were experiencing a change in transportation costs. Once the inventories were updated, the transportation team took the inventory model and worked to understand how the updated inventories would shift the inbound transportation from the ports and production facilities while also determining the impact the shifts would have on the lanes utilized.

enVista's team also analyzed how the new facilities would serve the existing clients with the new SKU Base (either Snacks or Cereal) to determine how the volumes would shift. It was important for enVista to look at any changes in transportation costs for customers that were shifting to a new distribution center to determine updated costs.

Additionally, the team developed a transition plan to assist the new organizations in moving from their current states to future states.







## FACILITY DESIGN

Throughout this project, enVista's team designed 12 facilities for both brands. With such big changes in inventory happening in both DCs, one of enVista's main focuses was on overall material flow in the buildings and how it would be impacted by the addition and subtraction of SKUs. Since cereals and snacks would need to be handled differently, material flow throughout each DC would also have to be planned differently. For example, cereal is mostly uniform and stackable, making it a candidate for bulk storage, while snacks tend to be more fragile and would require racking to avoid being crushed.

Due to these nuances, enVista's facility design team did an analysis to understand how the inventory would shift and what product disposition would be for the new SKU mix. The team also had to consider the facility capacity constraints when compared to the new volumes determined by the inventory team earlier in the project.

From here, the team designed the facility based on the capacity, SKU mix and appropriate material handling equipment to maximize space, optimize material flow and increase efficiency.

## 3PL

The food manufacturer utilized four main third party logistics (3PL) partners to service its distribution centers. enVista's team compiled all of the information regarding changes in SKU base, design, operating model, transportation, material handling equipment and more and created summaries to share with the 3PL providers. The intent was to minimize confusion by ensuring that all the information was appropriately synthesized and communicated to the 3PL partners.

enVista's team collaborated with the food manufacturer as the company worked with its providers to model new budgets for each facility post-transition. This modeling included volume, labor, management and overall costs.



## PROJECT MANAGEMENT OPTIMIZATION

Throughout this project, enVista held a PMO role, taking on the responsibility for making sure the project was running smoothly. enVista's role as PMO entailed several responsibilities:

- From a high level, enVista's team made sure that all of the tasks and execution progress was communicated to all levels at the appropriate level of specificity.
- enVista's team created an overall timeline and helped teams adhere to the agreed upon plan to ensure timely completion of all deliverables.
- enVista kept the teams connected so as projects progressed, handoffs were smooth. The team ensured that knowledge transfers happened earlier than the needed start date so each team could hit the ground running.
- enVista found synergies among the teams to minimize any duplicative work and made sure there were 'internal asks' before making 'external asks' to the client.
- enVista's team met regularly with the client's leadership to inform them of progress and work to mitigate any risks that arose.
- enVista developed a communication cadence that kept everyone on the same page through regular status reporting and status meetings.
- enVista regularly tracked budget to keep the team informed of where we stood from a financial perspective. This gave the client the best return on its investment.

## The Results

As a result of enVista's involvement in this project, the food manufacturer had a seamless transition to operating as two separate organizations. enVista's PMO work also allowed the project to be completed on time and within budget.

Large company transitions of this nature can often impact day-to-day processes, risking the customer experience. However, this was not the case during this project. One of the client's main objectives for the project was to complete the transition without impacting customers, and that goal was achieved. The company had no lost sales during the transition.



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**Let's have a conversation.®**

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