
Daysha Consulting have in-depth knowledge of the FMCG and Distribution sector. Understanding these businesses and their processes, together with our IT knowledge, puts us in a unique position as a systems integrator and provider of IT services. The integration of Diageo's internal IT systems with the warehousing management system of a third-party provider is one such example.

Situation

Summary

Successful businesses can quickly outgrow their current facilities or can find that changing market conditions require changes in organization structure and streamlining of supply chain management to maximize efficiencies and cost benefits. In the case of Diageo, they found that they had outgrown their current warehousing facilities and took the opportunity to outsourcing warehousing and logistics to a third party provider.

However, they could not do this without rigorous project management, and with the technical capabilities to integrate the internal IT systems of Diageo with those of the warehousing and logistics supplier.

Daysha Consulting was selected to oversee the systems integration along with the migration of services to the new supplier.

Customer Profile

Diageo possesses an impressive collection of beverage alcohol brands for spirits, wine and beer. It is a global company that trades in over 180 markets around the world. It was formed in 1997, after the merger of GrandMet and Guinness. It is headquartered in London.

The company has over 22,000 people all over the world in around 80 countries. They have manufacturing facilities worldwide including: Great Britain, Ireland, United States, Canada, Spain, Italy, Africa, Latin America, Australia, India, and the Caribbean.

Solution Overview

Customer Profile

- Name: Diageo
- Location: Dublin, Ireland
- Sectors: FMCG

Objectives

To ensure a successful migration of Diageo's warehousing systems to a third-party provider and to successfully integrate the ERP system with the WMS.

Daysha Services Used

- Project Management
- Infrastructure
- QA
- Service Integration

Benefits

- Stock transfers and software interfacing being completed efficiently and accurately.
- No negative impacts on customers.
- Operational costs reduced.

Problem

Context

Diageo's complex wine and wholesale division in the Republic of Ireland had outgrown its current warehouse facility and so a decision was made to outsource the warehousing operations to a 3rd party vendor. This involved a significant degree of systems integration, interfacing Diageo's IT systems and processes with those of the warehousing supplier.

Objectives

The objectives of the project were:

- Build a real-time interface between Diageo's IT systems and the 3rd party vendor
- The transfer of all stock to the new warehouse while maintaining a quality delivery service and minimum number of 'stock-out' situations
- The transfer of staff from Diageo to the external logistic provider

And of course, all of the above to be completed on-time, within budget, and with minimal disruption to Diageo's operations.

Finding the Right Partner

Daysha have extensive experience managing large complex projects, and also have the necessary technical knowledge and experience to understand the intricacies of the project implementation. For this reason Diageo decided to use Daysha's Consultants to oversee the design and implementation of the interfaces between their system's and the 3rd party's system.

Solution

Process

Daysha was asked to consult and manage projects of the design and implementation of the multiple interfaces that had to be built between the two companies. They also were to assist in building the stock transfer schedule and advise on the transfer of staff.

Solution	Description
Software Interfacing	<p>Daysha provided the project management to define the data requirements that would be needed by the logistic provider.</p> <p>We first defined Diageo's operational needs through detailed workflow diagrams. Then, the operational processes were defined that would work on the 3rd party site, which in turn, were put in place to allow for the management of the file transfers between the two systems.</p> <p>Because both companies are using the same ERP system, all software engagements were with one external supplier. This simplified the management and development of the software integration. The interface between the two systems covers:</p>

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- Purchase ordering
 - Goods in
 - Sales orders
 - Goods out via picking
 - Transfer back to supplier
 - Application for Reconciliation between Systems

Transfer of stock

Daysha worked closely with Diageo's operational team to develop a project plan to create a transport schedule that would allow for a minimum stock holding in their old warehouse at the point of system transition.

Diageo needed to be sure the warehouse would have sufficient stock to meet the needs of the demands of customers. Therefore, several initiatives of estimating the new warehouse capacity versus lead time from the suppliers and product shelf life were implemented.

Product stocks were then categorized into three areas: fast, medium and slow. This was to ensure that the only stock outs that would be produced in the first few days of delivery would be around the slow moving lines.

The transfer of stock to the new warehouse was to be done in line with the completion of the goods-in interface. All goods to be transferred were to be performed by the purchase ordering process. This process created a full audit trail between the two sites.

Evaluation

Results and Benefits

Daysha took the time to learn the systems of both companies, which resulted in the stock transfers and software interfacing being completed efficiently and accurately.

The transfer was a success and the outsourcing of Diageo's logistics was completed without any negative impacts to the service to their customers. In addition Diageo's operational costs were reduced and their supply chain was simplified.

For More Information

For more information about Daysha Consulting services, contact us through info@dayshaconsulting.com. To access information using the World Wide Web, go to: <http://www.dayshaconsulting.com>

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