

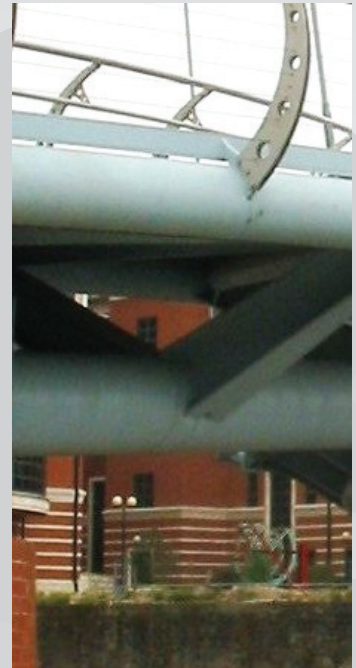
BURMAN ASSOCIATES

Outsourcing Strategy and Review

The case for outsourcing needs careful thought, a complete analysis, meticulous preparation and total commitment.

We can assist you with the following:

- Creation of a new outsourcing strategy
- Production of Invitation to Tender (ITT) documents
 - Short-listing of suitable third parties
 - Evaluation of ITT responses
 - Choosing a suitable partner & support with implementation
- Assistance to 3PLs in completing ITTs
- Value for Money (VfM) analysis on outsourcing projects
- Vendor rating assessment



Potential Business Impact

- The percentage of firms using 3PL services in Western Europe is now 77% and is still increasing. However, only 40% of outsourced logistics contracts are renewed!
- A great deal of time is wasted short-listing the wrong outsourcing companies or by providing these companies with inaccurate or incomplete information.
- Cost control can be difficult - charges tend to increase annually in line with inflation and other indices without regard to operational efficiencies and economies of scale.
- By understanding both sides of the sourcing process (from both the client and 3PL's perspective) it is possible to identify, and thus avoid, the likely pitfalls.

Case Study - DIY manufacturer

A manufacturer of DIY products changed its strategy from manufacturing in-house to sub-contracting in China. As a result it had no future requirement for one of its manufacturing and warehouse facilities. It therefore decided to outsource the warehousing for one of its largest customers to a 3PL.

Burman Associates was asked to analyse the data available, short list a number of shared-user warehouse and distribution companies, produce an ITT, analyse the responses and assist in the decision making process. As a result a 3PL company was chosen close to the manufacturer's major customer and the operation was successfully transferred.

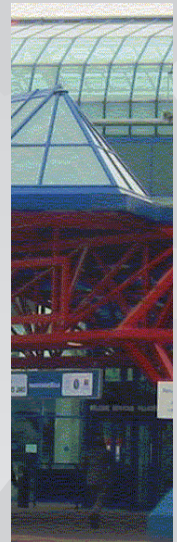
A similar exercise was undertaken to choose a long term Freight Forwarding partner for our client to manage its inbound shipments from China, Sri Lanka and the USA. Trial shipments with three short-listed candidates were arranged and the most suitable Freight Forwarder was chosen. Decisions were based on reliability, cost and culture of the organisation.



Burman Associates also works with 3PL companies assisting them in responding to ITTs and Requests for Quotations. This involves:

- Utilising an activity-based cost model to calculate manpower and equipment requirements within a warehouse
- Calculating vehicle and driver resources
- Supporting the 3PL during presentations to the client
- Assisting with the contract implementation, using experienced consultants and interim managers.

Once an outsourcing agreement is in place, Burman Associates has assisted clients in evaluating whether they are receiving value for money from the supplier. A major UK retailer has recently saved 10% of their logistics costs per annum as a result of a Burman Associates VfM analysis.



Contact us

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