

▶ CYCLE TIME

▶ COST

▶ PERFORMANCE

# Trade Customization Benchmark

## study

*"We found that both collecting the information and analyzing the results for SLC's Benchmark study was very useful. It clearly identified opportunities that L'Oreal would otherwise not have been aware of."*

*George Blizzard  
Sr. VP of Supply Chain  
L'Oreal*

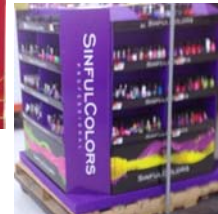
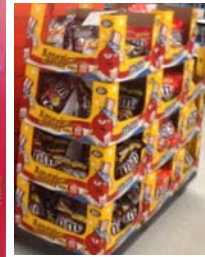
## Why Benchmark?

POP Customization activities represent a cost of over \$14 billion per year within the CPG market -- growing at an annual rate of over 3%. Customization business processes have a significant impact on your profitability, service levels, and customer satisfaction.

Improving overall productivity and maximizing resource effectiveness is essential to every company's survival. Benchmarking is an innovative and aggressive process that enables companies to quickly and easily identify critical opportunities

within their businesses. Leading companies from a broad base of industries use Benchmarking as a means for enhancing their annual and strategic planning processes.

For over a decade, Seber Logistics Consulting, Inc. (SLC) has emerged as the recognized early proponent and preeminent expert in Benchmarking and Supply Chain consulting. As a result of SLC's previous Benchmark Studies, our clients have made significant progress with improving operational performance.



**SEBER LOGISTICS CONSULTING, INC.**  
*Proven solutions . . . delivered*



▶ DESIGN

▶ PLAN/PROCURE

▶ ASSEMBLE

As a direct result of participating in SLC's Trade Customization Benchmark Study, companies realized significant improvements.

# study overview

*The Trade Customization Benchmark Study will focus on obtaining input from a cross-section of cooperating companies. The study will provide participants with insights including:*

- *how customization supply network structures impact costs and inventory levels*
- *outsourcing trends*
- *assembly and fulfillment strategies*
- *planning horizons and cycle times*
- *trade customization practices*
- *returns, scrap/rework and slow moving/obsolete*
- *key performance measurements and indicators*



## Participants

Alberto Culver	M&M Mars
Church & Dwight	Nestle Purina Petcare
Clorox	Novartis
Colgate-Palmolive	Osram Sylvania
Coty	Procter & Gamble
Eastman Kodak	Rayovac
Energizer	Sandisk
Henkel	Sanford
High Ridge Brands	S.C. Johnson
Johnson & Johnson	Schick
Logitech	

Improvements realized by participants include:

- **reduced costs**
- **shorter cycle times**
- **improved component utilization**
- **decreased scrap & SLOB**
- **assembly process simplification**
- **expanded program offerings**
- **enhanced service & flexibility**

*"Benchmarking our performance with Seber Logistics Consulting, Inc. provides Johnson & Johnson with clear insight into our current executional performance as well as future issues that will help drive our customer support strategies."*

*Scott Zellner  
Vice President, Operations  
Johnson & Johnson*



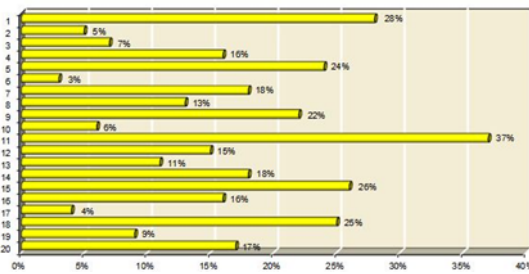
Participants receive a customized report that highlights the study's findings, their performance, and the implications of the Benchmark Study's conclusions.

- Comparisons will be made as relative ratios (e.g., cost per CV shipped to customer, assembly labor cost per PDQ).
- The best demonstrated practices of the "best performers" will be explained and will provide insight into why and how superior performance was achieved.
- The Benchmark Study's results will consist of:
  - graphic representations of data;
  - narrative observations common to all participants; and,
  - unique observations specific to a "best performer".

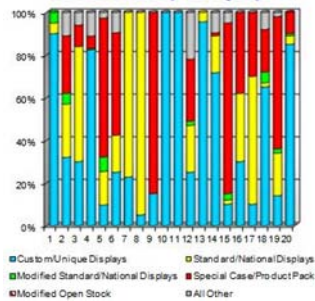
# deliverables

*The SLC Benchmark Data Base™, comprised of extensive supply chain best practices, provides a solid foundation for quickly identifying and implementing highly effective, pragmatic solutions. This powerful knowledge base has been developed over 20 years of supply chain consulting projects with leading, best-in-class companies representing a broad spectrum of products, channels and industries. Our partnerships consistently yield successful results.*

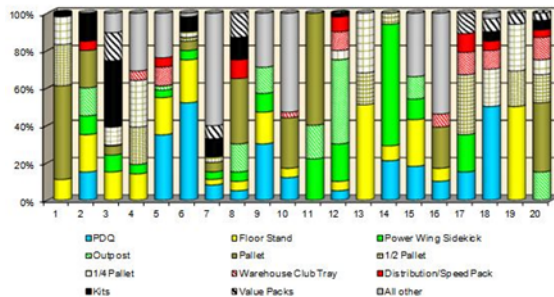
CV Revenue as a % of Total Revenue



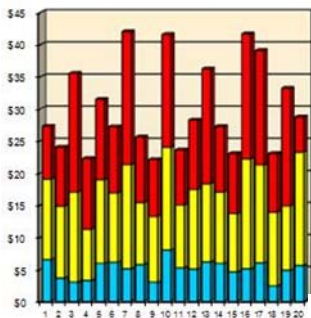
CV Revenue by Category



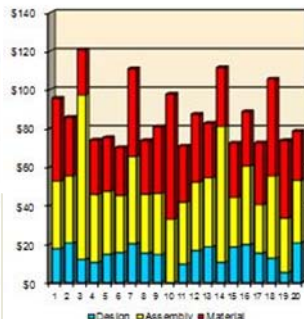
CV Volume by Vehicle



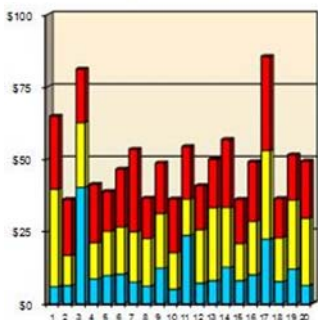
Cost per PDQ



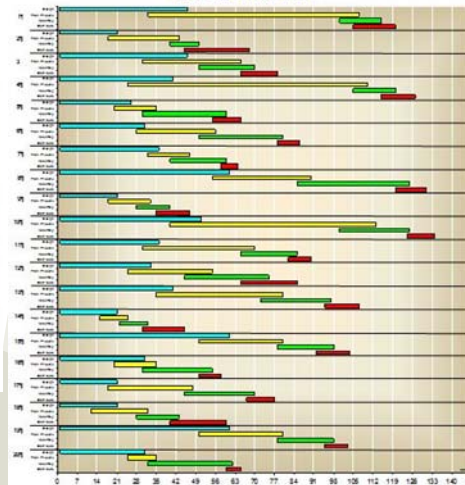
Cost per Club Pack



Cost per Floor Stand



Order Cycle-Time-MTO's



## Overall Performance

- Customization Cost per 1,000 Retail Eaches Shipped to Customer
- Customization Cost as a % of Revenue
- Rework/Return/Scrap Costs
- Customization Cost per CV
- KPIs/Performance Measures
- Customization Best Practices

## Business Profile

- Customization Revenue Profile
- Volume by CV Type
- CV Volume by Account Type
- Customization Revenue by CV
- Customization Revenue by Channel
- Weight/Density per CV
- Average Eaches Delivered per CV

## Cycle Time

- Planning Horizons
- Customization Lead Times
- Design to Delivery
- Customer Commitment to Delivery
- Breakdown by Value Chain Steps
- Make vs. Assemble-to-Order
- Cycle Time Challenges

## Assemble/Fulfill

- Fulfillment Models
- Customization Echelons
- Third Party Assembly Rates
- Assembly Cost per CV
- Material Cost per CV
- Scrap/Yield Factors
- SLOB Inventory

## Strategy and Service

- Program Offerings
- Customer/Channel Strategies
- Future Direction
- Minimum Quantities
- Order Change/Cancellation Policies
- Quality Management
- Sales Life Design
- Structural Integrity

