

# White Paper Compact

## Optimization of Supply Chains for Corporate Recovery

Identification and sustainable realization of liquidity and cost potentials

We as Miebach Consultants are often faced with inefficient and expensive supply chains. Whenever personal/political interests paired with sometimes insufficient analysis in the company's past have led to supply chains not matching realistic sales developments and/or customer /market demands, we call it Stakeholder Crisis. This too often is the basis of the "voyage" of those companies into further crisis stages, which become visible when the company is getting into a significant Sales Crisis. Cost structures in the supply chain not being covered by sales/margins and negated market developments start to strangle the profitability of these companies. The upcoming Profitability Crisis will deteriorate equity and liquidity - in worst cases leading to an Insolvency Crisis.

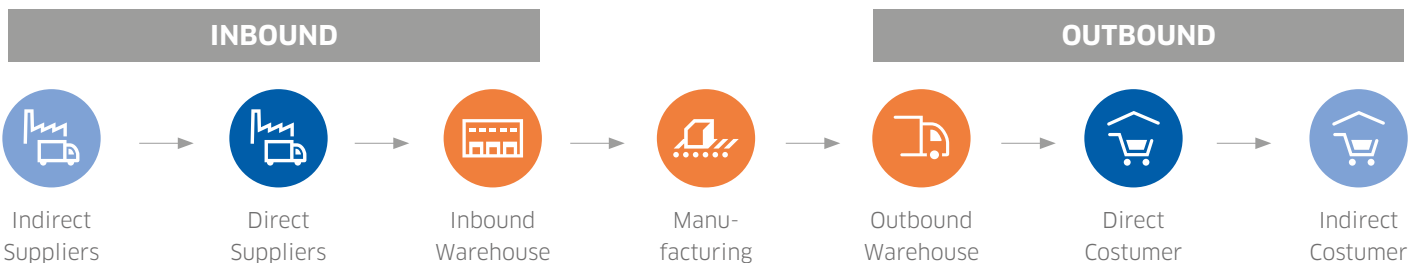
Whenever we are asked to turn-back-the-clock for the supply chain, we have to deny - we would rather set-the-clock on a future time! Structure always follows strategy and so Miebach bases all optimization approaches on a strategic restructuring plan defining future supplier structures, products, services, sales plans/channels and regions/geographical footprints.

The "Greenfield" approach of Miebach Consulting leads to an optimal supply chain setup -working perfectly as clear direction for the next years. To bring it to real life and to realize direct savings, we develop a step-by-step implementation plan for the transformation - always balancing the trade-off of cost savings vs. investments, restructuring cost/one-offs. We streamline the supply chain by eliminating redundant not-utilized capacities, assets and stocks. We create the financial resources needed to restructure the supply chain based on stock level reduction and sales & lease back options. We develop short-term cost savings e.g. by negotiating with both suppliers and logistics service providers.

These approaches are not rocket science, but it needs a lot of experience. As Supply Chain Engineers we at Miebach Consulting have the tools (e.g. „Supply Chain Check“) and the experience - supply chain restructuring projects for us already began over 40 years ago.

# Supply Chain Management

## Optimization of Supply Chains for Corporate Recovery



### WHAT WE SEE (STAGES OF CRISIS)



- 1 Wrong supply chain decisions due to lack of communication and analysis
- 2 Over-/underfulfillment of real customer needs
- 3 Inadequate supply chain footprint (regions, markets, sales channels, dimension)
- 4 Too high stock levels = capital cost
- 5 Small production lots = fixed cost
- 6 Overcapacities (manufacturing and logistics) = fixed cost
- 7 Deteriorating freight costs = cost
- 8 Non-utilized assets (manufacturing, logistics) = fixed cost
- 9 Stock levels (especially long-tail)
- 10 Reservation of proprietary rights and carrier's lien

Conducting our "Supply Chain Check" Miebach Consulting evaluates very fast the supply chain structures - from supplier via manufacturing/warehouse sites to customers - calculating the level of oversize, the match of locations to markets, service-levels to customer needs and the required stock levels - assessing cost and performance weaknesses and saving potentials.

### WHAT WE DO:

- 1 Ensure analysis/evaluation/scenarios for future supply chain decisions
- 2 Customer/competitor analysis
- 3 Plan new supply chain footprint based on reliable sales forecast and customer needs (availability, time and cost)
- 4 Predictive forecasting methods (from „Andler“ to „AI“)
- 5 Consolidation of manufacturing and reduction of set-up cost
- 6 Close-down & sales of non-strategic manufacturing and logistics sites
- 7 Re-negotiation of freight rates and selection of optimal transport mode/providers
- 8 Sale & lease back of strategic sites - sub-lease of space
- 9 Reduction of stock levels (especially long-tail)
- 10 Quick evaluation of rights & value of current stocks - clearance sale

For the transformation itself change management is our natural method and tool to develop and keep a spirit of success, being stronger than the fear of crisis for our customers and their employees to make it a success story and bring it to a good end.

