

Supply Chain Optimization at Madurai Aavin Milk Dairy



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Content

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- 1. Hugo Boss overview & Structure***
- 2. Facts***
 - 2.1 SCOR Model & its use***
 - 2.2 Pilot incentives and results.***
- 3. Findings***
- 4. Conclusions & Recommendations***
- 5. Bibliography***



Hugo Boss

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- *Luxury fashion brand that has been out in the market for more than 90 years*
- *Global brand spanned more than 100 countries with more than 5,500 retail points of sale*
- *Diversified company, producing high-quality men's and women's fashion apparel, shoes, and accessories*
- *Pursue product leadership, market intimacy and operational excellence*



HB's Structure

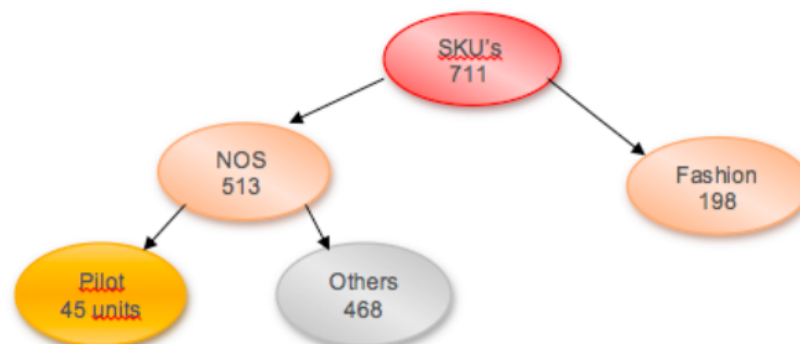
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- *two distinct brands, Hugo and Boss*
- *five subsidiary lines – Hugo Boss Black, Boss Green, Boss Orange, and Boss Selection*
- *further segmented by replenishment type*

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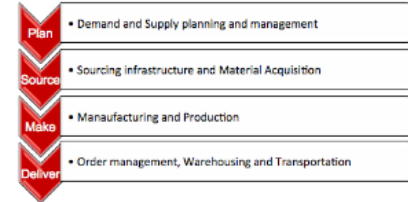
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Facts

HUGO BOSS SCOR MODEL

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- *The supply chain operations reference model (SCOR) is a management tool used to address, improve, and communicate supply chain management decisions within a company and with suppliers and customers of a company.*
- *The model describes the business processes required to satisfy a customer's demands*
- *We use this model to help us explain the processes along the entire supply chain of the NOS products prior to the pilot with the information provided in the case study.*

Pilot

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- *Pilot consisted in changing the order frequency, in which inventory planners ordered from the contract manufacturers, from monthly to weekly for a subset of bodywear NOS items.*
- *This subset entailed 45 similar SKUs within the Black Brand, and was produced in a single factory owned by Delta Gall.*
- *This subset accounted for 16% of the division's sales in 2004.*

RESULTS



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Plan

- Demand and Supply planning and management

Source

- Sourcing infrastructure and Material Acquisition

Make

- Manufacturing and Production

Deliver

- Order management, Warehousing and Transportation


Pilot

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RESULTS

□ *The change in order frequency allowed 4 week reduction in total lead time.*

- 
- *Could the SCO initiative broadly applied enable Hugo Boss to improve its already excellent performance?*

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- *Or, did the increased costs outstrip benefits? In this case, how much, if any, credit could operations take for the observed change in sales?*