

SERVICE STREAM

Getting end to end buy-in and savings

Service Stream provides end to end solutions in the telecommunications and utilities sectors in the areas of asset management services, contact centre activities and logistics, design, construction and technology solutions.

They have a diverse group of business units which allows them to offer a wide range of expertise to support their clients' ever changing market demands, assisting them in keeping costs low while delivering exceptional service to their customers.

“One of the key deliverables was to get buy-in from our various business units, many of whom had joined our company via recent acquisitions... Renoir’s objective and nonbiased based approach enabled us to ultimately gain business unit support for the national “shared service” operating model that was recommended. Renoir led this implementation activity, which involved the consolidation of operations from 7 warehouses into 1, and the reduction of headcount.”

Bob Grant
Chief Financial Officer

Key Results

Annualized savings of USD 169,000 in facility and field operations improvement

Merger of two business units contributing to annualized savings of USD 173,000

Efficiency gain in equipment and personnel resulting in annualized savings of USD 736,000

Total project savings of USD 1,078,000

ANALYSIS

Service Stream invited Renoir Consulting to perform an external review of its supply chain and warehousing activities. The review highlighted opportunities to consolidate the management of supply chain and warehousing activities across numerous disparate business units under a single national structure to facilitate the adoption of common systems and processes, and to capture synergies and efficiencies relating to both personnel and facilities.

PROJECT APPROACH

Service Stream opted to perform a two phased project. The focus of the first 15 weeks comprising Phase 1 was to design and implement the management structure for a national supply chain and warehousing function by developing, delivering and implementing a plan for Victoria and Tasmania to be used as a template for a national consolidation of warehouse and office locations to minimize overall operating costs while maintaining a high level of productivity and customer service.

Working with the acting head of that function, the task was to identify the personnel and facility synergies available in Victoria and Tasmania with a view to skilling the business, and identify similar benefits particular to the other states. Approximately \$1.8 million of benefits (net of implementation cost) were identified.

One of the key deliverables of this phase was to get buy-in from all the business units, many of whom had joined Service Stream via recent acquisitions and all of whom had been allowed to operate supply chain and warehousing activities on a relatively autonomous basis.

Under the guidance of a full time Renoir project manager, a ‘taskforce’ was created from Service Stream personnel, to jointly drive the opportunity identification, savings assessment, and delivery of the consolidation plan.

A Management Action Team (MAT) was formed with members from various business units and chaired by the Group Commercial Manager. Working together, this combined team was tasked to manage the successful implementation of the plan in Victoria and Tasmania. This structure along with Renoir’s objective and nonbiased approach enabled us to ultimately gain business unit support for the recommended national “shared service” operating model.

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Revised overall warehousing and inventory delivery models, with full agreement, ownership and sign off by the Steering Committee, would drive the implementation of future consolidations and detailed activity schedules to enable Service Stream to manage national consolidations and realise benefits above and beyond the Victoria and Tasmania initial focus areas.

The focus of Phase 2 was to implement the changes necessary to capture the targeted benefits. Renoir led this implementation activity, which involved the consolidation of operations from 7 warehouses into 1, and the reduction of headcount and over a million Australian dollars in benefits.

PROJECT RESULTS

TASMANIA

Focus: Eliminate warehouses located in Launceston and Hobart and create a revised inventory delivery model through a 100% 3rd Party Logistics material provider.

Desired Outcome: Realisation of facility benefits and added value in field operations.

VICTORIA REGIONAL

Focus: Eliminate warehouse operations, locate shared office facility for AMRS and Communications personnel and support inventory delivery via transportation depot.

Desired Outcome: Support subcontractor material requirements from the consolidated South Oakleigh warehouse and gain additional facility savings by merging 2 business units into one shared location.

VICTORIA METRO

Focus: Consolidate 4 warehouse operations into 1.

Desired Outcome: Gain efficiencies in personnel and equipment utilisation through the consolidation effort and remove siloed operating culture by blending several business lines under one roof.

Total Project Annualised Savings: \$1,078,000

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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