

Groenewout enables management of Mid Ocean Brands to take valuable decisions

An interview with Mr Stephen Gibson, Senior Director Operations for Mid Ocean Brands by Tjaart Theron



Mid Ocean Brands (MOB) is one of the leading promotional product wholesalers, selling a wide range of products including pens, mugs, bags USB stick, etc. MOB represents a merger of several trading companies and has a focus on the Benelux and Spain - with activities expanding across Western Europe and the main markets in Eastern Europe. The company has 11 European regional sales offices and approximately 60.000 m2 warehouse capacity in 3 locations (Spain, Poland and the Netherlands). More than 35 million articles representing 4.500 different products are held in stock. In 2009, Mr. Gibson asked Groenewout to assist the management to come to a decision on a strategy that would optimise its future supply chain strategy.

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MOB faced set of complex supply-chain related challenges



Stephen Gibson

According to Stephen Gibson, MOB is part of a very dynamic market. The role of wholesaler in the supply chain is changing rapidly", he says. "We used to deliver to large resellers who kept large stocks, now to smaller agents with mostly no stock". Gibson explains that MOB sells to agents and resellers all over Europe. In turn, these agents sell products to local companies to support their marketing campaigns. MOB also prints products (mostly company logos) as 95% of all promotional products end up printed at the end-customer. The samples used by agents to convince the end-customer to buy their products are shipped to the agents or end-customers, mainly by express road service as these are time-critical.

"MOB has 3 Distribution Centres in Europe", he says, One in Barneveld in the Netherlands, one near Barcelona in Spain and one in Chorzow in Poland. All MOB items are located in each of the three warehouses and supplied directly from Asia. He adds: "Each warehouse stores all of the approximately 4,500 products and serves a specific region - while also serving as back up for each other in case one warehouse runs out of stock."

"By September 2009", says Stephen Gibson, "MOB was really feeling the effects of the economic crisis - with a drop in turnover from the last quarter of 2008 onwards. Among others, this meant we had to reconsider our supply chain set-up in Europe."

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Key decision needed about number and locations of Distribution Centres

Gibson explains: "The key issue was whether we should consolidate the Distribution Centres or perhaps even increase their number? We wanted to know what the most optimal situation would be for home deliveries with regard to cost, with regard to the client demand for the next 5 years and for our positioning in the market. Another question was how we should facilitate an increase in printing services."

"We contacted Groenewout", he says, "because they have a very good name in logistics. I first approached them 3 years ago and we have established a very good understanding. The reason why I approached Groenewout was because they are not only good with mathematical models but are also able to provide guidance to decision-making process by management. They are able to provide input about how we should structure our market position, which is our key issue. This determines the way we design our supply chain." He continues: "We asked Groenewout to help us define the business strategy plans and determine the requirements for our supply chain. Furthermore, to critically examine the supplychain set-up, determine the costs optimum and work out a few different scenarios for the next five years."



Groenewout provided excellent guidance throughout the process

According to Gibson, Groenewout met the deadlines and showed flexibility, good teamwork and communicated in a clear way. "Groenewout also spent 'more than the normal' amount of time on aftercare and on addressing last minute and additional questions after completing the main deliverables." Gibson concludes: "I am very satisfied with the contribution made by Groenewout. They were able to rapidly understand what we needed and what our goals were and had a critical approach with regards to our assumptions. I am very happy with the process, in particular with the way they conducted workshops with the management and managed to make sure the correct questions were asked."

He continues: "Groenewout made very good calculations about the implications of the various models. This enabled our management to take decisions. They were able to provide excellent guidance throughout this process. They did not only deliver advice but were able to generate the support of our management. From past experience, I know how critical this is to the success of such a project."

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"And", he finally says, "the outcome of the process has many benefits for MOB. We will move to a new and more efficient operation in Spain and optimise the allocation of (mainly print) orders between West and East Europe. This way we will be able to maintain or even improve our services to clients while reducing the cost of the supply chain by 20-30 %. Supported by Groenewout we have now reviewed and aligned the long term development of our Supply Chain which will allow us in due course to deliver more quickly, more cheaply and more accurately."

By Tjaart Theron

Tjaart Theron was born in South Africa and has lived in the Netherlands since 1985. He completed a Masters in Economics at the Institute of Social Sciences in The Hague. He has worked as English native speaker copywriter for large international companies.

More information

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