

Clorox strengthens partnership with Metro Canada Logistics using PackManager™

AT A GLANCE

COMPANIES

Clorox is a global organization with a large range of category-leading products and brands. Metro Canada Logistics (MCL) is the top co-packer engaged by Clorox to fulfill their Canadian packaging operations.

CHALLENGES

- Streamlining a business with locations across the US.
- Find a co-packer who can move beyond spreadsheets to provide optimal performance, accurate quoting capabilities and a clear understanding of cost structure.
- Work with a dependable partner who can help Clorox drive continuous improvement.

SOLUTION

MCL implemented PackManager at the request of the Clorox team.

RESULTS

- Cost savings through improved quoting capabilities and streamlined processes
- Improved service
- Easier forecasting

BACKGROUND

Headquartered in Oakland, California, the Clorox Company produces globally recognized brands including Clorox bleach products, Tilex®, Glad® and Burt's Bees®. Clorox has partnered with leading Canadian co-packer Metro Canada Logistics, a tier-one third-party logistics provider (3PL) with over 200 clients, a \$4 billion annual throughput, and \$600 million inventory on hand.

Clorox wanted their employees to focus on thought leadership and innovative thinking instead of day-to-day operations issues. Darren Bowen, Clorox VP Product Supply, wanted to bring in MCL as a partner. However, he had one caveat: implement PackManager. "I know PackManager's capabilities," says Bowen. "I know how it can be leveraged to streamline processes and improve margins."



CHALLENGES

OPTIMIZED PERFORMANCE. For Clorox, the biggest challenge was paring down their internal packaging and logistics capabilities and outsourcing to a reliable partner that would save them money – and take those capabilities to the next level. They weren't looking for an order taker. They wanted a partner that would help them solve problems, and come up with innovative ways of streamlining processes and saving money.

"We were looking for a 3PL that was focused on the thought leadership needed to drive continuous improvement," says Bowen. "Anybody can get that case of product out the door. It's how you deliver that leading-edge thinking that's going to continue the relationship and the improvement platform for years to come."

ACCURATE QUOTES. Clorox was looking for a co-packer who could help them realize overall cost savings through a comprehensive understanding of their cost structure, including accurate quoting capabilities.

"The Canadian leadership team isn't focused on delivering what's current," explains Bowen. "It's our role to deliver the future via long-range planning. As we go through budgeting exercises, you really get into how much money we have to spend on display-ready vehicles in coming years and ultimately that future forecasting is where I'd see the benefits."

Co-packers who have a clear, accurate understanding of their cost structure have the ability to quote accurately, which makes budgeting easier and more accurate — and saves all relevant parties tremendous time and effort.

Bringing MCL up to speed. MCL had been using basic spreadsheets to manage their operations, which was inefficient. Their cost structure needed to be improved, they didn't have a clear picture of labor rates, and they ultimately didn't have the capability to accurately cost out a job.

MCL had already been looking for a way to manage co-packing more effectively in order to win more business.

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SOLUTION

Before embarking on the partnership, Clorox requested that MCL implement PackManager to streamline operations and improve visibility and access for Clorox. MCL put PackManager in place for their Clorox lines, with an eye to improved shop floor control, streamlined quoting and estimating, improved reporting and overall cost savings.

RESULTS

“Added experience plus the right tools and systems have really driven behavior change at MCL,” says Bowen. “Implementation of PackManager has resulted in significant cost savings.”

MORE ACCURATE QUOTING. PackManager has made quoting faster and more accurate, resulting in improved budgetary alignment for Clorox. There are fewer changeovers, steadier runs and reduced labour. The software integrates quoting and production, allowing MCL to determine optimal pricing based on past production. Lower labor costs. Time and hourly cost savings have been achieved by eliminating time-consuming re-keying, data entry and error checking.

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IMPROVED SHOP FLOOR EFFICIENCY. Detailed, real-time production visibility allows MCL and Clorox to see the information they want whenever they want it. They can access metrics and visual dashboard graphics to see exactly what's happening on the shop floor, and respond to falling efficiency as it occurs.

BETTER REPORTING. PackManager's customizable reporting tool makes it easy for Clorox and MCL to share vital information such as customer, job and segment profitability, quote win/loss reporting and more.

FUTURE POTENTIAL WITHIN THE MARKETPLACE. Being able to accurately budget helps to streamline planning, and allows accurate predictions for future initiatives – a much better solution than being reactive and rushed.

“PackManager has streamlined MCL's operation, giving them visibility not only into the past, but into the future,” says Bowen. “Now we all benefit from the cost savings, economic order quantities and efficiency opportunities.”

For MCL, it has become an exciting opportunity to win additional business from existing clients, and gain new business from CPGs who are looking for efficient co-packers with advanced operational capabilities.

ABOUT NULOGY

Nulogy is a leading provider of specialized solutions for complex supply-chain challenges, and was the recipient of the prestigious Red Herring Global 100 award in 2008. Nulogy's flagship PackManager is an Enterprise Performance Management (EPM) product suite that optimizes contract packaging operations through real-time management of inventory, production, costing and quoting. Nulogy's PackPortal collaborative system for consumer goods companies efficiently coordinates workflow, performance and reporting of special packaging initiatives.

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