

Project Profile

Estée Lauder

AT A GLANCE

Customer:
Estee Lauder

Industry:
Cosmetics

Project:
Review of European
Distribution Structure

Services provided:
Warehouse & Distribution

Outcome:
Recommendation for
changes to supply chain

ESTÉE LAUDER

Estee Lauder is one of the world's most successful manufacturers of skin care and beauty products. As well as the internationally famous Estee Lauder Brand, the company also owns many other well-known brands such as Clinique, Bobbi Brown and M.A.C, to name just a few. The company operates in all the major markets of the world and continues to grow, year on year.

One of the most significant markets is EMEA (Europe Middle East and Africa). This includes some 20 different national markets stretching from Scandinavia to South Africa and from Portugal to Russia. The geographic spread is large and, the population density is high, so it poses some major supply chain challenges

The company has always had an excellent reputation for the high quality of its customer service and it wanted to ensure that this reputation would be undiminished as the business continued to grow.

In particular the Company wanted to ensure that it had a robust strategy for its European distribution network that would enable it to meet the challenges of greater European integration, increasing demand and rising fuel costs.

To help develop this strategy Estee Lauder appointed THE LOGISTICS BUSINESS to undertake a wide-ranging study, which was carried out over a period of some nine months. Consultants from THE LOGISTICS BUSINESS visited each of the subsidiary companies in the EMEA region and undertook interviews with Directors, senior marketing managers and senior logistics managers.

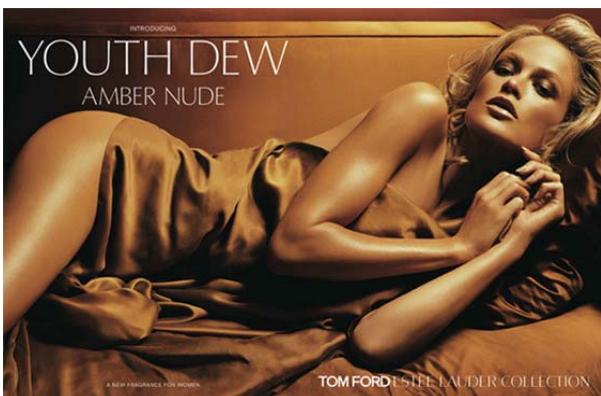
A review of the distribution infrastructure was carried out and data was collected through a combination of questionnaires sent to the subsidiaries and electronic data sourced locally and centrally.



As a result of this review a comprehensive supply chain model was developed to help understand network capacity, service and costs. The model was used to compare options for changing the network, based on the number of scenarios for growth and other developments in the business.

The result of this work was a series of recommendations for changes to the supply chain operations. These included plans for operating methods and physical infrastructure and proposals for how changes could be phased over time as business developed in the various markets.

THE LOGISTICS BUSINESS brought significant value to the project through its wide-ranging experience, objective view of the issues and particular skills in collecting and analysing the diverse and complex data. This gave Estee Lauder confidence that recommendations were based on solid foundations.



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