

Driving Value

How Bunzl Canada's supply chain evolution improved its efficiency and performance. *By Alan Dorich*

When Bunzl Canada Inc.

introduces new ways to deliver innovative products and achieve logistical excellence, it never loses sight of the human factor. "[We] care about our people and our customers," Vice President of Procurement and Supply Chain Motaz Sabri declares. "That is a distinguished value proposition in the distribution industry."

Based in Burlington, Ontario, Canada, the company is a division of Bunzl plc, a London-based international distribution and outsourcing group that offers food packaging, cleaning and hygiene, safety and industrial products in over 30 countries around the globe.

Bunzl serves an array of industries, including grocery and large retail, convenience stores, food processing, property management, healthcare, education, manufacturing and construction. Half of the company's global revenue comes from the United States and Canada.

MAKING CHANGES

Sabri joined Bunzl Canada two years ago after spending 17 years with Loblaw Companies Limited, where he was responsible for its strategic sourcing and procurement operations for retail. "The reason they hired me is that they wanted to make some changes to the lease structure," he recalls. Ultimately, he led a team to evolve sourcing and procurement oper-



Bunzl Canada's sourcing and procurement functions have evolved under the leadership of Motaz Sabri, vice president of procurement and supply chain.

ations to create greater efficiency, reduce costs and improve consistency at the store level.

Under Sabri's leadership, Bunzl Canada's sourcing and procurement functions have also evolved. The company's growth via acquisition had resulted in some areas of duplication and inconsistency which affected the business' ability to maximize efficiency and standardize process and delivery systems. The solution to these challenges was the creation of specialized areas and departments which would enable a more focused, national approach to each of the major processes within the supply chain. The most significant of these included centralized

replenishment, centralized master data management and the establishment of process improvement teams. "It was all one integrated solution," Sabri says, noting that it took him 90 days to evaluate the logistics structure and identify skill sets. The next step was to design the optimal organizational structure and the associated implementation plan.

Key to that plan was skill development and new talent acquisition. The company began hiring new employees and training its current ones to enable better data analysis capabilities. "In my experience, only when you start utilizing data more effectively can you improve efficiency," he says.

Bunzl Canada now better leverages systems that were already in its structure, including integrating seasonal factors into its forecasting. Its master data team focuses on the constant execution of fundamental repletion to maintain the quality of its data, such as the dimension of boxes and depths of pallets. That way, Sabri explains, the system can do what it was designed to do, which in this case was the calculation of cube size.

Sabri also addressed a need for improved collaboration to help in cost reduction and to create efficiency gains. He implemented a category review process and ini-

tiated joint planning sessions with manufacturers to see what the company's strategic vendors could do to help them.

"We started having a conversation about how we could win together," Sabri recalls. "We started to talk about replenishment plans and how we could better align our forecasting."

What Bunzl Canada found, he notes, was that manufacturers had significant issues with the cost of freight. So, Sabri united Bunzl Canada's transportation and freight team with its forecasting team, allowing them to share information on replenishment plans. "We started looking at the

forecast together and we started making corrections," he recalls. That enabled manufacturers to receive more accurate forecasts that would allow them to streamline shipments and reduce costs.

So far, Bunzl Canada has seen efficiency improvements in how it manages deliveries. "All distributors continue to struggle with fill rates, but we have started making some significant headway," Sabri

Kruger Product In an effort to continually maximize operational efficiencies, Kruger Products' and Bunzl's supply chain teams collaborate closely together to ensure logistics are best suited for both companies. Kruger Products is the leading Canadian manufacturer and distributor of tissue and paper towel products for consumer and away from home use. As a family-owned pulp and paper company, Kruger is extremely proud to be a long-standing supplier, and partner, with Bunzl Canada.

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reports, adding that he is very satisfied with the increased collaboration. “We are now on the same side of the table with our strategic partners, and our customers, as we work to address the challenges that come our way.”

WISE INVESTMENTS

Bunzl Canada has partnered with key manufacturers and distribution companies on ways to pilot and implement cost-effective technologies, such as autonomous and electrical trucks. The company also has started implementing forecast demand planning tools from JDA.

“We are rolling it out in Canada in the first quarter of 2019,” Sabri said, adding that this will allow the company to better phase replenishment plans and improve forecast accuracy.

The company also has invested in its category management team, which advises customers on the best packaging types and formats for their products. “[We can show]

them the more innovative product that can help them sell more and make more profit,” he says.

For instance, the company recently aided one of the largest grocery retailers in Canada to review their cookie product offering, including size and packaging. Today, after Bunzl Canada provided its services and presented a business case, “They’ve seen a 17 percent spike in cookie sales,” Sabri reports.

FROM END TO END

The explosion of e-commerce and artificial intelligence present big opportunities. To leverage these, “We need to innovate from end to end in our integrated supply chain,” in Sabri’s view.

Bunzl Canada has formed partnerships with Sheridan College in Oakville, Ontario, and Queen’s University in Kingston, Ontario, to enable it to develop talent and sponsor students. “We not only access new talent, but give back to

the community by helping those students and creating a win-win,” he says.

These efforts allow Bunzl Canada to get top talent with the analytical skills to provide a fresh view on its current practices. For example, the student teams have done case studies that have analyzed subjects such as how many times workers touch a box.

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“The more touches, the more money you pay,” he says. “They provided analytics on how we can optimize that: based on our massive amount of data, learn from the analysis and recommend the best option, touch the product once and ship it. That drives efficiencies in our warehouse.”

CHANGING THE GAME

Sabri sees a bright future for Bunzl Canada. Going forward, “Bunzl will be the leader in the distribution industry and we will change the game,” he predicts.

“Historically, the traditional distribution business is based on moving boxes,” he says. “Now, we are delivering much more value around category management, strategic sourcing, rationalizing items, reducing costs, improving customer value and increasing customer sales. Because, when you get down to it, it’s all about what we can do for our customer. That’s the game-changer for me.”



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