# **Boosting Efficiency and Cost-effectiveness by Centralization**

Here are the 5 most important considerations you should make before embarking on a centralization project:



## **Centralize decentralized logistics**

Simplify your distribution channels.

By centralizing all stock, it is possible to reduce the overall flow of goods through the delivery chain.



### Find the right concept

There is no silver bullet. Whether you outsource all or part of your logistics, invest in upgrading a centrally located existing site, or decide on a new, purpose-built logistics center on a greenfield site – each strategy has advantages and disadvantages. But there is one that best fits your requirements.



# Find the right partner

**Consulting is a matter of trust.** Only a partner who covers the entire range from modernization to new installations can provide a significant impact on all processes in your company.



### Have a backup plan

**Avoid the bottlenecks.** When designing your solution, redundancy for all equipment and alternative paths are key to ensure the continue flow with minimal impact to the chains, in case of any equipment malfunction.



# Keep an eye on the costs

Cost effective in the long term. Make sure all plant and machinery is equipped with efficiency technologies such as energy recovery systems to beat rising energy prices. Also consider leaving the daily operation of your plant to someone who can take care of it 24/7 to avoid expensive downtime.



# If you want to centralize your logistics processes, you should make some basic considerations:

- 1 Can I convert one of the existing warehouses into a modern distribution center, or is a new facility the better choice?
- 2 Which location do I choose to optimize the flow of goods and minimize transport costs?
- 3 What size do I actually need if I concentrate storage capacity in just one location, but store and retrieve there more efficiently?
- 4 Is my team capable of running the processes at a new location, what training is needed?
- 5 Is the opportunity right to reorganize operations, for example by outsourcing system management completely?





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