

EDF Energy Networks Cuts The Cost Of Cable Delivery



EDF Energy Networks, one of the largest electricity distribution companies in the UK, is making significant cost savings associated with its cable management operation following a review by independent consultancy Total Logistics.

Management of electricity cable stock has a number of challenges for a logistics operation, not least in that its relatively high value makes it vulnerable to theft. Lead times for manufacturing are long, due to the availability of production capacity. The nature of construction activity and the need to obtain road closure notices all contribute to timing issues, for example.

The study conducted by Total Logistics included in-depth analysis and extensive supply chain modelling, using the Insight suite of tools, looking at specific areas of the logistics process. Throughput was analysed to identify usage patterns, existing processes were mapped to identify areas for improvement, stakeholders were interviewed to gather viewpoints and requirements, and budgets for operating the three existing cable yards that act as supply chain hubs were analysed.

Les Beaumont, project director at Total Logistics, said: "EDF Energy Networks had identified the cable management function to be a relatively expensive operation. The storage and delivery aspect of cable management has been traditionally handled by three regional groundwork contractors but this strategy did not achieve the results EDF Energy Networks had hoped for. Our objective was to map these existing processes, model the cost benefits of alternative options and provide input to the business case for the recommended solution."

Total Logistics worked in partnership with EDF Energy Networks to develop a range of strategies for supply chain modelling. Seven options were agreed and then the costs and implications for stock losses, inventory financing and service levels to engineers were assessed.

As a result of the study Total Logistics recommended a single cable management operation should be established, with cable being cut to length before delivery to the groundwork contractors' operating centres. In

addition a Warehouse Management System (WMS) is to be employed to provide the necessary control. This will maintain process integrity and improve the quality of information available to managers.

Chris Matthews, Head of Logistics at EDF Energy Networks, said: "Total Logistics conducted in-depth research to ascertain the problems caused with our existing supply chain process and provided recommendations that will save us money and time. More importantly, this will enable us to provide a better service to our customers and stakeholders. We're looking forward to continuing to work with Total Logistics on the implementation of the recommendations."

Following on from the approval of the implementation, EDF Energy Networks has subsequently appointed Total Logistics to redesign the process and manage the tendering of a new single cable operation. Initially this will support the network cable usage, but will have capacity to absorb the requirements of the capital programme and potentially control the cable needs for a number of private networks.

About Total Logistics:

Total Logistics specialises in all aspects of supply chain and logistics consultancy, with a client base that includes Nestlé, Unilever, adidas, Coty, Tesco and Hema. Working across the complete range of supply chain and logistics operations, Total Logistics functions solely to add value and subtract costs. Activities include strategy definition through to implementation and project management; network modelling, distribution strategy, location optimisation, cost modelling and benchmarking. Total Logistics' experience covers all industry sectors and its clients comprise sector leading companies but also much smaller lesser well-known names to whom its consultancy, advice and services are equally as critical. Over 70 per cent of its revenue comes from existing clients and its greatest source of new business derives from personal recommendations. Now recognised as a leading consultancy in this field, Total Logistics has established a reputation for delivering high quality, practical and robust solutions to clients' needs.

Total Logistics has offices in the UK and the Netherlands. For further information visit: www.total-logistics.eu.com or www.total-logistics.nl.