

Assignment Profile	Alpha Retail	Nov 07-May 08
Role	Project Manager	

Value delivered

- **Reduced properties from 5 regional warehouses to a single central supply point, overall saving £1.3m pa.**
- **Structure allowed exit from on-terminal storage.**
- **Incremental discounts from suppliers further delivered £1.8m pa savings as a result of single supply point.**
- **Managed full RFQ process from definition and creation through to contract negotiation for outsourcing all warehousing and transport operations.**

Project Profile

- Existing**
- Existing network involved multiple warehouses close to the major airports (Heathrow, Manchester & Birmingham) servicing second tier terminals as well.
 - Stocks also held on airport, often both land and airside. All staff required security clearances.
- Future solution**
- A period of solution design for an internal bid proved that a centralised supply point could deliver significant benefits
 - RFQ definition and production, issue to 6 providers, shortlist, financial negotiations and final selection to identify good cultural match.
 - Entered contractual negotiations and detailed definition for implementation of the new solution.

Features

- Physical** – Closure of local stockholding points and rationalisation of stocks held. More regular store replenishment to ensure stocks were held on the sales shelf. Very high security on terminal meant each item delivered had to be scanned by X-Ray before entry to airside.
- People** – TUPE transfer of incumbent warehousing and driving staff at central DC.
- Commercial** – Internal bid vs external RFQ and selection process. Match found and contractual negotiations conducted.

Client Profile

Alpha Retail managed the contracts for duty and tax free sales at non BAA airports and Eurotunnel. The 26,000 product lines ranged from liquor/tobacco to fragrances, books/newspapers to souvenirs and electronics to sunglasses. Other parts of the group manage contracts for in-flight sales and food/beverages. The parent group – Italian company Autogrill – was managing a bid process for World Duty Free (a BAA company). Should the bid fail, Alpha’s consolidation project would need to continue. If the bid was successful, both businesses would merge into a single operation, and this proved to be the case, halting Alpha’s consolidation project.



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