

# Success Story in FMCG

## How Mars significantly reduces supply chain costs with continuous optimization

Against a backdrop of increasing demand volatility, dynamic market developments and growing competition, businesses in FMCG need to focus on reducing costs today to remain competitive tomorrow.

Mars, a global market leader in the food, beverage, confectionery and pet care industries, is driven by the idea that "tomorrow starts today". In China, Mars has established a separate logistics network for the distribution of its point-of-sales material (POSM). With the continuous growth and global expansion of its business, Mars' network had grown increasingly complex in recent years, resulting in increased distribution costs.

To significantly and sustainably reduce costs in the POSM network, Mars partnered with 4flow to implement a continuous optimization approach. From the beginning, this cooperation was completely results-driven - no cure, no pay. The objective was to identify and implement optimization measures without interrupting daily operations and with minimum risk.



## Continuous optimization runs for significant cost reductions

The first step in the project was to create transparency in the entire logistics network – from production and sourcing of the materials to delivery at the point of sale. Using this information, 4flow can conduct regular optimization runs to identify potential in everyday processes and implement measures quickly, without having to wait for lengthy transformation processes. The cost savings potential of each measure is then quantified and aligned with Mars, and approved measures are implemented. With this approach, 4flow can reassess the network every three to six months – leading to continuous optimization for maximum benefits.

**“4flow is an important partner for managing supply chain spending for Mars’ POSM network. Together, we realized savings potential that exceeded our initial expectation. At Mars, we look forward to continuing and expanding our cooperation in the future.”**

Strategic Sourcing Manager BTL Materials and Services, Mars

In this way, 4flow was able to introduce optimization measures that enabled Mars to achieve a cost reduction of more than 20%. By streamlining the distribution network, Mars was able to reduce both storage and distribution costs. Introducing new alternative transportation modes helped to further reduce costs and carbon emissions while improving performance. 4flow helped realize additional cost savings by optimizing Mars’ tariff structure and carrier portfolio.

## About 4flow

4flow is a leading provider of supply chain consulting, software, and fourth-party logistics (4PL) services. 4flow has been successfully working together with customers in China since 2011. From its office locations in Beijing, Changzhou, Hong Kong, and Shanghai, 4flow China serves the Asia-Pacific market with international teams with supply chain expertise and local insight.