Reducing Demurrage Cost through Collaboration

Household Fluid Manufacturer & Distributor Scale: 650 Employees | \$1.5B (CAD) Annual Revenue

Adonis Partners helped a manufacturer reconstruct scheduling processes and inventory management, drastically improving operational efficiency and demurrage costs.

- Elevated cross-functional collaboration through a structured communication system
- Overhauled scheduling and inventory processes to shift from reactive to predictive planning
- Implemented a framework for continuous improvement to minimize disruptions and maximize efficiency

30+ Leaders Lean Six Sigma Certified \$250k Reduction in Demurrage Costs **13** Sites' Demurrage Costs Analyzed

A global manufacturer of household and transportation liquids faced rising demurrage costs and severe planning errors. Frequent schedule changes, reactive planning, and a lack of real-time insights alerted the leadership team to a larger operational issue. They found that when an order was changed, canceled, or lacked required material, the production and scheduling teams would simply react to it, resulting in schedule changes and sifting through alternative plans to meet customer expectations.

Adonis Partners stepped in to establish a proactive and structured method for scheduling and inventory management. Expert consultants started with a diagnostic approach, documenting planning workflows, analyzing sales forecasts and SKU inventory, and assessing customer order patterns. A custom-built Excel scheduling model and standard operating procedure (SOP) were developed to improve cross-functional communication. This model was implemented in guided stages along with training, reviews, and a feedback loop.

In just one month the client successfully transitioned from a reactive to predictive planning model, improving order lead times and reducing demurrage costs by an astounding \$250k. With a sustainable planning framework in place, the client enhanced production efficiency, minimized disruptions, and strengthened alignment between sales, operations, and logistics teams.

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