

10 Coolest SCM Boutique Consultants

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ARCwire July 20, 2007

ARC has been spending time investigating the strengths of different classes of consultants. One type of consultant is a Boutique. They are called "Boutique", because the analogy is being made to retail stores. If you were going shopping at the mall, you would typically find a giant anchor store (analogous to an **Accenture** or **IBM**) that sells everything. You might find a Category killer, a store specializing in a particular product set but whose footprint is huge - analogous to an **OfficeMax** for example. Finally, you would find many smaller stores specializing in one product area with a smaller number of SKUs. These Boutiques will make up most of the mall. Some will specialize in woman's shoes, others high end woman's apparel, others toys, and so forth.

Boutique stores typically provide specialization and better service, but are not necessarily less expensive. In contrast, Boutique consulting firms will give you the specialization, the service, and are typically less expensive than the giant consulting firms. The exception to this rule can be in the area of implementation services where very large firms that have a high percentage of consultants working offshore can use the labor rate advantages to drive lower priced engagements. Satyam, Tata Cosultancy Services, and Cognizant, among others, use this model in the SCM area.

When it comes to consulting, ARC looks at services as falling into three areas: front end consulting, implementation, and ongoing services. Front end consulting could involve business process reengineering, applying best practices, and doing strategic analysis for clients. Implementation services involve implementing software or hardware solutions for the clients. Ongoing services include ongoing work in areas like software maintenance and training, and are often paid for through a continuing contract, rather than being based on a particular project.

In total, across all areas of Supply Chain Management (SCM) consulting, **ARC looked at over 1,000 companies'** Internet sites, **narrowed that list down to 120 firms** that appeared to do the bulk of their consulting in the area of SCM, and have interviewed over 30 Boutiques. Because a high percentage of our clients are manufacturers, consultants that lacked manufacturers in their client base were not included in the research.

Here is our list of the top 10 coolest supply chain management boutique firms:

Supply Chain Visions - While this Bellevue, Washington headquartered company is doing work in training and paid research, I particularly like the work they are doing around benchmarking and supply chain appraisals of warehouses. In the past, when I have looked at benchmarking I have been concerned about being able to make valid apple to apple comparisons. But their approach is as much focused on discovering process inefficiencies and the root causes of problems, as it is focused on providing a grade. I like their approach to embedding themselves as part of a client team and serving an educational role as much as a consulting role.

Chainalytics - This Atlanta-based firm's consulting services are mainly focused on using Network Design, Transportation Design, and Multi-echelon Inventory Optimization tools to allow their clients to decide where their facilities should be located, what the transportation network should look like, and how much inventory is needed across their network of facilities. In the Strategic Design niche, I like them the best for the experience of their consultants, their knowledge of the tools, and proprietary content they have gathered over the years. On the content side, they have labor rates, transportation costs, and real estate costs on a global basis. Despite having consultants that are highly analytic and quantitatively oriented, they are a friendly and down to earth company.

Clarkston Consulting - One style of Boutique is industry focused. In Clarkston's case, they are focused on the Consumer Goods and Life Sciences industries. Their consulting goes beyond Supply Chain Management to include a broader strategic engagement that could include issues like customer intimacy, trade promotion optimization, innovation, and regulatory planning and remediation. But in practice, these different areas often need to be tackled at the same time. About half their work is up front strategic consulting and about half is in the implementation area. The implementation work is often the downstream result of a strategic engagement. While they tout vendor neutrality, in practice they do more **SAP** than anything else, including a lot of APO. They have done a lot of work with **CAS** for promotions, and **Oracle** often wins in the Medical Device area. Clarkston is headquartered in Durham, North Carolina.

enVista - In the area of implementation of Supply Chain Execution systems, I like enVista, headquartered in Indianapolis, Indiana. They implement best of breed Warehouse, Transportation, and Labor Management solutions from **Manhattan Associates**, **RedPrairie**, and **HighJump Software**. They also have an interesting ongoing service in the transportation area. They audit the costs charged by parcel and Less than Truckload shippers. They use their own proprietary tool to do this and are typically paid on a percentage of the savings. The data that is stored in the software can allow for transportation cost benchmarking.

Forte - In the Supply Chain Execution space, one style of consulting is focused on Warehouse facility design. Typically, the design includes an analysis of what types of material handling equipment should be used and what the layout and flow of the facility should be. Mason, Ohio-based Forte is this style of consultant. Forte has built their own tool to analyze clients' order profiles, sales forecasts and other pertinent data in order to extrapolate distribution center locations, operational volumetric requirements and conceptual material handling solutions. Another important portion of these projects is to implement a Warehouse Control System, which is the middleware layer between the WMS and the material handling equipment. Here again, Forte has developed their own solution.

Oliver Wight - It is often said that in improving a company's capabilities you need to focus on people, process, and technology. Oliver Wight's focus is process. In particular, they focus on arguably the key Supply Chain Process - Sales and Operations Planning. In my travels to Supply Chain conferences around the world, I have come across happy customers that sing the praises of this Boutique.

Plan4Demand - In the category of Supply Chain Planning system implementation, my favorite company focused on North America is Pittsburg-based Plan4Demand. They tell us that historically they have done the most work implementing Manugistics (now JDA) in the Food and Beverage industry, but this has fallen off somewhat in recent years. Over the last few years, the number of verticals they serve has increased. More recently, their Logility practice has been growing, as is the SAP APO practice.

ROCE Partners - Boutique consultants that implement Supply Chain Planning solutions are rare. For this reason, I've selected two consulting companies in this category. ROCE Partners, with offices in Stockholm, Sweden and Tampere, Finland is our choice for the European market. ROCE specializes in **i2 Technologies** solutions and SAP's APO.

S&V Management - S&V is headquartered in Belgium. This company has developed proprietary tools they use to drive their consulting. One tool is a specialized Multi-echelon Inventory Optimization tool specifically designed for asset-intensive process and semi-process manufacturers. The company also has developed a Cost to Serve solution based on Activity Based Costing. This solution costs what it costs to serve customers when all supply chain costs are factored in. This is a key tool for balancing the competing goals of the Supply Chain and Sales organizations.

Vantage Partners - Boston-based Vantage provides strategic sourcing consulting. There are two main problems companies often face when working with suppliers, gaining internal buy in, and dealing with scope changes. Vantage's focus is to design and implement a standard approach for negotiating and managing interactions with suppliers, and develop change management strategies to ensure buy-in to new approaches, not only among internal constituents but also with suppliers. In contrast, some large strategic sourcing consultants will come in, find out what the company is spending by category, figure out whether to offshore and who to source with. But this approach does not yield the returns that might be expected if the sourcing company is not good at ongoing negotiations. Negotiation does not end when the contract is signed, the relationship still needs to be managed, scope changes and specific pieces of work will still need to be negotiated. And it is not just procurement managers that need to improve their negotiation skills, but also project managers, engineers and other personnel. They too need good negotiation skills. So Vantage does some work to improve sourcing processes, but their real talent is in embedding negotiation skills more broadly throughout an organization.