Case Study

Workplace Furnishings Manufacturer Reshapes Its Network for Maximum Value

A network study and scenario planning validated the optimal footprint and delivered $2.3M in savings.

The Challenge

Rising costs, tariff uncertainty, and critical decisions about the future network footprint

The Solution

A SCE Supply Chain Consulting study and planning, soft RFP, and a DC reorganization.

The Result

$2.3M Savings, stronger network decisions, improved cost efficiency, and a more resilient operating strategy.

Company Background

For 60 years, this manufacturer has been producing and distributing furnishings to workplaces around the globe. Forward-thinking with an emphasis on efficiency, they needed a scenario planning partner.

Business Problem

The manufacturer was seeking to reduce expenditures across the organization. They specifically looked at the looming election in 2024, considered the impact of potential tariffs, and examined what actions they could take to minimize that impact. An internal study was conducted to determine if closing locations would make sense, but management wanted an outside perspective on the pros and cons of various scenarios. The goal was to bring a number of options to their Board of Directors with one specific recommendation.

Supply Chain Edge (SCE) was brought in to verify whether savings could be achieved through process changes with the existing footprint or whether the greatest value was in eliminating one or more facilities.

Imperative in the equation was maintaining or improving service levels with a focus on best cost, not necessarily least cost.

Network Optimization Study

The SCE team focused on two specific distribution centers—one located in California, and the other in Virginia. Three possibilities were on the table: closing one location or the other or closing both and outsourcing the entire operation to a 3PL.

To make that determination, each facility was looked at in terms of how it fit into the entire company ecosystem.

The SCE team conducted stakeholder interviews at each DC, reviewed their operations, and parsed the data. They also conducted a “soft RFP” to determine real time marketplace costs under each scenario.

“Supply Chain Edge brought exactly the expertise we needed at exactly the time we needed it,” said their SVP | General Manager.

The SCE Solution

A total savings of $2.3 Million was identified as part of the SCE proposed solution, which determined that closing the California facility was the most advantageous by delivering the greatest amount of savings while simultaneously causing the least amount of disruption to their supply chain.

Decreasing the number of facilities was key because the company imports product from China. Instead of importing goods to both the east and west coasts, the number of lanes was reduced, aggregating the spend and reducing costs.

Additionally, this scenario eliminated the amount spent on transfer freight between facilities. It also created a time savings, allowing staff to focus on having the right amount of overall inventory instead of making sure they had the right balance of inventory in each location.

Keeping the Virginia DC made sense as there was plenty of expertise on site—it just needed to be right-sized.

Closing Virginia and outsourcing to a 3PL would have meant retraining employees and creating new processes that would have lowered service levels.

There was internal expertise with closing facilities, so the company determined they could execute the solution on their own. From January to July of 2025, they liquidated the inventory of the California DC as opposed to transferring it.

At the same time, they converted the property to a packaging facility for their parent company, which allowed them to keep the vast majority of their personnel while removing the entire operation from their P&L.

Return on Investment

The $2.3 Million forecast in savings was realized through project execution. The company's keen foresight combined with SCE's expertise positioned the project for success.

Moreover, the organization has been positioned to gain a competitive advantage and outperform competitors, generating additional value for their company and its shareholders.

> This project was perfectly planned. We were not over- or underbudget. We were not over or under on time."
>
> - SVP | General Manager

Every SCE project is undertaken with the goal of setting the client up for success—whether laying a foundation for a plan, as in this case, or assisting all the way through execution to ensure an optimal outcome.