



Logistics

Industrial and Commercial Valve and Flow Devices

Client is a leading manufacturer of fluid valve and volume control devices; actuation of products includes manual, electronic, hydroelectric and air compression; products include valves for US Navy Submarines

The Challenge

Client's metal foundry and manufacturing and assembly operations are located at a single location, and distribution is initiated from that location and a two proximate finished goods storage locations. Initial distribution architecture included 26 distribution centers, which corresponded in part to the company's wholesale oriented merchandising practices..

Client shipped all of its products in daily sweeps, tendering products to a few national level general freight motor carriers. Freight costs were excessive, and client DC infrastructure was choking them financially. Operations were losing money when we were retained.

The Solution

After massive data mining and quantitative analysis, we transformed LTL distribution to flow distribution at the dawn of flow distribution concepts. We engineered creative matrix pricing schedules with motor carrier distributors that were selected as a product of a comprehensive global RFP process. Customer orders were ultimately delivered into customer distribution networks and direct to retailers and wholesalers

We conducted a site selection evaluation to enable the strategic deployment of inventories, reconfiguring finished goods stock points and safety stock levels, reducing transportation costs by a stunning 60% and eliminating 24 of the 26 sourced warehouse locations.

The Value

First year ROI of 1070%. Company became profitable with 2.3% contribution to its' bottom line. Solution remains in effect and continues to be productive.