

# END-TO-END SOLUTION CUTS COSTS, ADDS GLOBAL SUPPLY CHAIN EFFICIENCIES

## MIQ LOGISTICS ORIGIN CONSOLIDATION SERVICES

### DELIVERING SOLUTIONS

#### The Challenge

A leading manufacturer of cell phone accessories was in a crisis. Issues with an overseas partner completely shut down their supply chain. They needed a new logistics services provider to quickly step in and get shipments moving. The manufacturer also recognized the need to rethink its supply chain to gain better control over vendors, reduce costs and achieve more efficient handling of orders.

#### The Strategy

The first priority for MIQ Logistics was to immediately get the supply chain running again. Drawing on our extensive overseas sourcing experience, we placed personnel in Hong Kong to analyze the situation, identify a solution and direct its execution.

With product once again flowing out of Asia, the emphasis turned to designing processes which would deliver ongoing benefits to the customer's bottom line. Initial areas of focus were shipment consolidation, kitting operations, purchase order and shipment visibility, trade management, and transportation rates.



### CASE STUDY OVERVIEW

#### The Challenge:

Revive customer's idle supply chain and improve its operational effectiveness

#### Strategy:

Establish a phased approach: Execute crisis management solutions; then design long-term process enhancements

#### Solution:

Leverage MIQ Logistics global network, facilities and in-country expertise for immediate and long-term benefits

#### Results:

Within four weeks, supply chain operating efficiently; customer realizing cost savings from transportation, customs fees and process improvements.

## The Solution

MIQ Logistics swiftly leveraged our global network, facilities and in-country logistics professionals. During the four-week start-up phase, we implemented process improvements to lower costs and improve efficiencies.

We renegotiated freight terms to ex-works (EXW), giving the customer greater control and visibility to its shipments, while reducing the duties it paid on imports. We also established a consistent "milk-run" vendor pick-up schedule, lowering their inland transportation costs and standardizing pick ups and deliveries for improved production planning.

Kitting activities moved from the U.S. to our logistics center in the China free trade zone. This permitted vendor consolidation from China, Taiwan and Korea for higher shipping volumes and better transportation rates. It also paved the way for direct-to-customer shipping from Hong Kong to multiple locations in the United States, the U.K. and other international destinations, enhancing customer service.

Other features of the initial start-up service included cross-border transportation and documentation at origin; customs brokerage services at origin and destination; value-added services for special project support; and shipment tracking and reporting.

As we moved into the second phase of the project, MIQ Logistics continued to create solutions which standardize processes and support strategic projects for the customer:

- Support for country-of-origin sourcing activities
- Assist with product quality inspection
- Finished goods inventory storage in Hong Kong
- Inventory racking system for better space utilization
- Global trade compliance review for accurate customs classifications
- Commercial document and packing list production
- Customs compliance training
- ACH payment process with customs
- Weekly consolidated billing process.

## The Results

Within 12 months, MIQ Logistics enabled the customer to cut transportation, customs and kitting costs:

- 38 percent cost/kilogram reduction in consolidated international shipments
- 16 percent cost/kilogram reduction in consolidated U.S. shipments
- \$65,000 in annual savings from proper customs classifications
- 5-10 percent reduction in kitting costs (savings varied by project scope).

We also helped the customer increase its productivity through:

- Customs compliance training for the customer's personnel
- Greater invoice and packing list accuracy
- Integrated and easy-to-use data systems
- Continuous improvement initiatives.

## ABOUT MIQ LOGISTICS

MIQ Logistics is a global logistics company headquartered in Overland Park, Kan., and with offices in North America, Asia, Europe and Latin America. MIQ Logistics enables companies to improve their transportation network and overall supply chain efficiency by offering flexible logistics solutions supported by Web-native technology and global logistics management capabilities.

