

# ANALYSIS OF CUSTOMER'S HI-TECH SUPPLY CHAIN LEADS TO IMPRESSIVE SAVINGS, EFFICIENCIES

MIQ LOGISTICS GLOBAL SERVICES

## DELIVERING SOLUTIONS

### The Challenge

With a significant segment of the semiconductor wafer foundry base moving to Asia, our customer decided to relocate operations closer to their end user. Our customer opened an equipment integration facility in Singapore near their customer who provides wafer fabrication equipment. Unfortunately, this move created an increase in real estate and labor costs, thus denying our customer the warehouse space to stage components for assembly and integration. In addition, strict "copy exact" customer rules made it impractical to replace existing U.S. vendors with Asia-based providers. Therefore, many key components were still sourced from the U.S., adding to our customer's freight costs. MIQ Logistics was engaged to find creative ways to reduce supply chain costs associated with the Singapore operations.

## CASE STUDY OVERVIEW

### The Challenge:

Reduce supply chain costs associated with the relocation of operations to Singapore

### Strategy:

Develop an in-depth understanding of the customer's sourcing, transportation and quality practices and costs; leverage the global network and technologies of MIQ Logistics

### Solution:

Consolidate air shipments, open a supplier inventory hub in Singapore, and create a new ocean freight program for moving larger items

### Results:

Generated more than 60 percent in cost savings; avoid lengthy and expensive "copy exact" audits by making it cost effective to maintain current U.S. vendors



## The Solution

MIQ Logistics Singapore created a supplier inventory hub in the free zone at the Singapore Changi Airport. This allowed vendors to stage goods close to the fabrication facility, and let the customer postpone payment of import fees until the goods were pulled for production. With warehouse space now available, vendors could ramp up production, and the customer could shift the transportation mode for large cargo from parcel and airfreight to less costly ocean freight.

In studying the customer's supplier base, MIQ Logistics discovered multiple vendors were located within a 20-mile radius within the U.S. MIQ Logistics developed a pickup schedule and route, generating a more consistent product flow for vendors, better cash flow for our customer, and lower inland transportation costs. This also allowed MIQ Logistics to consolidate airfreight cargo for better rates and establish a set shipping schedule.

MIQ Logistics adapted its purchase order management system and processes for the customer. This adaptation improved the customer's visibility and control over shipments, while maintaining compliance with Bureau of Commerce strict export controls on certain components.

## The Results

By consolidating air shipments, opening a supplier inventory hub in a free zone at Changi Airport in Singapore, and creating a new ocean program, MIQ Logistics saved the customer more than 60 percent in transportation costs. In addition, the customer was able to retain its existing supplier base and maintain its competitive rates, thus avoiding the lengthy and costly "copy exact" processes necessary to qualify new vendors.

## ABOUT THE CUSTOMER

The customer is a U.S.-based Tier II Manufacturer of Semiconductor Process Equipment.

## 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.

