

# MIQ LOGISTICS: DISTRIBUTION BY-PASS SERVICES

## A Case Study

### Client

A leading retail chain with 98 outdoor-lifestyle stores in 18 states and a 45-year heritage

### Challenges

The retailer faced major challenges with days-in-inventory and capacity at its distribution center (DC).

- Days-in-inventory time continued to increase over the prior five years
- The single distribution center experienced overly high storage levels, delays with unloading railcars and shipping containers, and an overall worsening in port-to-DC transit times (hovering around 40 days).

### Strategy

MIQ Logistics analyzed the retailer's:

- Inventory holding costs
- Order fulfillment cycle
- Asset utilization (distribution center capacity)
- Transportation optimization.

From this analysis, MIQ Logistics recommended the client begin using direct-to-store purchase orders (POs). Direct-to-store POs would allow the client to fulfill orders from regional warehouses, which would improve its distribution processes. The MIQ Logistics flow through network, coupled with the extensive transportation networks of the MIQ Worldwide companies, is well equipped to support this strategy. In addition, MIQ Logistics could allocate all origin, transportation and destination services into a single cost on a per-item basis.

### Solution

- China-origin consolidation services
- U.S. destination flow through/deconsolidation services
- North America less-than-truckload (LTL) transportation services
- Ocean transportation services
- U.S. Customs brokerage services

### Results

The first project to use the regional fulfillment center model was for the delivery of 440 All Terrain Vehicles (ATVs) to 52 stores. MIQ Logistics achieved an average port-to-store transit time from Shanghai, China of 31.5 days. This reduced by approximately 8.5 days the average DC performance for the client. Other benefits for the client included:

- Elimination of DC handling
- Cash-to-cash benefits and the potential to issue purchase orders and transfer funds to the client's vendors later in the cycle
- Transit time savings
- Ease of implementation.

The MIQ Logistics solution is scalable, flexible and lets the client respond to regional needs.

*MIQ Logistics, a global logistics company, coordinates the movement of goods worldwide across multiple modes of the global supply chain. MIQ Logistics helps businesses automate and improve shipment planning, optimization, administration, and overall supply-chain processes while connecting more efficiently with clients, their suppliers and the final consumer.*

