

Expenses, visibility and control improve
with International Supply Chain solutions



DELIVERING SOLUTIONS



CHALLENGE

When understanding the LG Harris supply chain requirements, MIQ Logistics quickly identified that their buying terms were CIF (cost, insurance, freight) across the majority of their supply base. This prevented shipment visibility for LG Harris until the goods arrived into port. Accounting for over 1,000 TEU per annum was a major headache. The supply chain model was completely reactive with little or no reporting or key-performance-indicator (KPI) management. This created high demurrage charges, inbound-inventory and stock-control challenges at the LG Harris distribution centre (DC) located in the Midlands (UK).



STRATEGY

LG Harris selected MIQ Logistics as their preferred freight forwarder. Through our budding partnership, we quickly developed a joint strategy to improve their inbound supply chain. A key driver for their selecting MIQ Logistics was the company's capabilities and expertise in the retail sector, both critical for the growth of the LG Harris business. Regaining control of inbound logistics, transportation and inventory was extremely important. Implementing solutions around visibility would reduce port demurrage cost and improve stock management in to the DC. Reverting to FOB (free on board) terms would allow MIQ Logistics to provide purchase order and vendor management at LG Harris sourcing locations around the world.



SOLUTION

The MIQ Logistics International Supply Chain team was soon to engineer solutions to counter the challenges LG Harris faced. Through close data analysis and quantification, terms of sale were changed to FOB across 90 percent of the supply base. MIQ Logistics deployed PowerVIEW, a Web-based purchase order management system, to provide enhanced visibility to detailed shipment information. With part-number level data, inbound planners could locate inventory throughout the supply chain.

Due to the annual container volumes, MIQ Logistics was able to leverage its carrier relationships to provide fixed-rate stability, enabling LG Harris to understand and get a stronger grip on their costs. Through joint understanding of the customer's purchasing systems, MIQ Logistics was able to capture important purchase order data, effectively manage LG Harris suppliers, and building a robust and detailed KPI analysis for pre-arranged monthly business review meetings. Managed through strong account management, the LG Harris team quickly understood the value creation MIQ Logistics brought to the partnership.



RESULT

As a result of the MIQ Logistics International Supply Chain solutions, LG Harris quickly benefitted from a 15 percent reduction in their inbound transportation spend. Increased visibility, tactical and strategic account management enabled LG Harris to control the DC intake, reducing demurrage costs (down 80 percent) and warehouse overtime costs. They also saw increased speed to market and product replenishment. MIQ Logistics is now a key extension to the LG Harris business. The flourishing relationship expanded and MIQ Logistics is now under contract to handle all inbound transportation requirements for 2015.

"Since working with MIQ logistics we now have full visibility of our inbound freight. Including purchase order and vendor management at a level of detail that we have not previously experienced.

The MIQ team have provided continued support and expertise in assisting with the management of our inbound supply chain and the service provided is deemed a "good fit" for our business. MIQ Logistics have continuously added value to our business."

MARK POWYS

SUPPLY PLANNING MANAGER
LG HARRIS

