

Case Study



Streamlining the Supply Chain for Cost Reduction and Speed to Market

Challenge:

Reduce transportation costs by 20% while reducing lead time and increasing speed to market.

A major medical devices manufacturing company with operations in the Caribbean was incurring in high transportation costs to deliver finished product to its US distribution centers and achieve on-time market delivery. Multiple US suppliers were shipping raw materials based on individual orders without providing visibility to the manufacturing plants causing interruptions to production line schedules resulting in longer lead times and delivery to the consumer market.

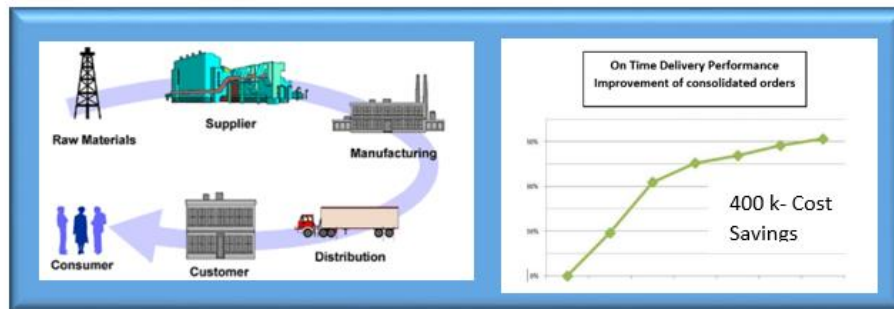
The Solution:

CaribEx Worldwide CBX Healthcare division jumped at the challenge and conducted an in-depth needs analysis study of the manufacturer's supply chain flows to address three core areas, cost reduction, visibility, and speed to market. Evaluation began with the customer's inbound raw material order process, manufacturing turn time, finished product output, and transportation modes used. Findings revealed establishing a centralized command center for raw material order processing and shipping point would provide manufacturing sites better control of product supply and visibility. Shipments would move JIT

maintaining uninterrupted production schedules while improving finished product output and delivery to consumers. Scheduled weekly pick-ups of export shipments were programmed and optimization of transportation mode was driven by customer delivery commitments. This allowed a more streamlined supply chain process.

The Results:

CaribEx Worldwide consolidated inbound raw material orders at centralized hubs in the US to support Midwest, Northeast and Southeast suppliers. Procurement and production planning associates received weekly raw material on-hand reports providing complete visibility of orders ready to ship. This allowed for a more efficient product flow of materials needed to run production lines on schedule and overall improvements in delivery performance.



Within 6 months of implementing CaribEx’s supply chain program results reflected:

- Reduction in overall transportation costs of 400K through optimization of shipping modes
- Enhanced visibility of incoming products to facilitate JIT delivery to manufacturing lines increasing on-time production schedules by 10%
- Elimination of waste and additional expense incurred in offsite warehousing to store raw material products
- On-time product delivery performance improvement of 20%

For more information on how CaribEx Worldwide can help to implement tailored logistics solutions

Contact us at 1-800-822-4185 or e-mail info@caribex.com