



Digital media supplier leverages Kuehne + Nagel's full global supply chain capabilities

Integrated solution includes sea freight, warehousing & distribution

SITUATION

One of the world's premier suppliers of digital media and media accessories, including CDs, DVDs, optical drives and USB flash drives, required flexible logistics solutions to meet high-demand customer needs in its highly competitive industry.

As the number of high-volume European customers grew, the company sought an experienced logistics service provider to develop, implement and manage flexible solutions to meet service demands. One of its essential requirements was clear visibility into inventory levels across its supply chain. In 2000, after careful evaluation, the company chose Kuehne + Nagel.

SOLUTION

Kuehne + Nagel engineers began by working with the digital media supplier to analyze its supply chain. Some 300 retail customers across Europe regularly received shipments from this supplier. Order sizes varied – from full-truckloads to a single carton – so Kuehne + Nagel determined the need for specific carriers for each new order. Within the warehouse, Kuehne + Nagel established three discrete physical levels of order pick – full-pallet, carton and piece – making storage and picking processes more efficient.

The warehouse management system solution and its interface play an important role in order communication. The digital media company used SAP, one of many enterprise systems with which Kuehne + Nagel has integrated. Together, the companies configured system interfaces to deliver the consistent, high-quality order information vital for efficient operations.

This digital media supplier leveraged Kuehne + Nagel's visibility tool, KNLogin, which provides inventory information at all locations, enabling the company to reduce stock levels. Stock visibility is critical since the company not only shipped from Asia via Rotterdam to the warehouse in Utrecht, Netherlands, but also directly distributed from Asia to other destinations. The supplier also used KNLogin's capabilities for vendor performance monitoring, volume forecasting and purchase orders advanced receipt.

In 2004, Kuehne + Nagel piloted a track-and-trace program for shipments within France and Germany to further extend overland visibility; the overland shipments in Europe are visible via KNLogin. To streamline communications, a Kuehne + Nagel senior account manager served as the media supplier's single point of contact for all sea, air and contract logistics contractual and strategic matters.

Kuehne + Nagel determined that container space from Asia to Europe was not fully used. It recommended changing from block to Euro pallets, and then double-stacking within the container. This decreased sea freight costs, while reducing the media supplier's storage and picking costs.

RESULTS

After a year of high-quality contract logistics performance, the supplier awarded its sea freight business to Kuehne + Nagel, making it the sole logistics service provider from factories in Asia to end customers in Europe.

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