



California Innovations Partners with Logistics Provider As It Rides Growth Linked to Its Popular Cooler Designs

Kuehne + Nagel integrated warehousing and distribution solution drives logistics efficiency while allowing customer to focus on business expansion

SITUATION

Founded in Toronto in 1987, California Innovations is focused on designing and developing the best-insulated coolers in the world. In 2002, the company sought a provider for integrated logistics support in Canada. Kuehne + Nagel was chosen based on its Canadian capabilities, as well as the ability to expand logistics services to the U.S., Mexico and beyond, if needed.

SOLUTION

Kuehne + Nagel provides California Innovations with a virtual logistics infrastructure, handling 100 percent of the company's warehousing and transportation needs in Canada. The business is managed in 50,000 square feet within one of the provider's Toronto-area distribution centers. The bulk of the business requires case picks for shipment to Wal-Mart, Zellers, Canadian Tire and other large retailers. However, Kuehne + Nagel also runs a pick and pack operation within the same footprint for the customer's business-to-business unit.

The business is seasonal and space and labor ramp up starting in April for summer and back-to-school peaks. Other value-add services within the warehouse include returns processing, inspection, labeling and re-ticketing. Kuehne + Nagel also manages outbound shipments to California Innovations' Canadian customers, providing an integrated warehousing and transportation solution from a single source.

Cost control is a critical driver for California Innovations. Space costs are contained through an economical layout, reevaluated regularly, that stores inventory in the tightest footprint possible. Labor costs are also tightly managed with strategic use of temporary labor to supplement an experienced core staff. Kuehne + Nagel also invests significantly in training – an important part of maintaining its ISO-9001 certification – to assure staff understands and implements the most efficient logistics processes. Kuehne + Nagel provides regular reports that break down labor hours by function, and these metrics are carefully monitored and regularly discussed with the customer.

RESULTS

Kuehne + Nagel is California Innovations' single-source partner for all logistics needs in Canada, enabling the company to focus on continued growth. According to the company's director of logistics, Carlos Garrido, "The Kuehne + Nagel group serves as California Innovations' one-stop shop for most of our global logistics requirements. We have since begun to utilize several Kuehne + Nagel warehouses in the U.S. and will start shortly to utilize the international forwarding services as well."

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