



Penda Partners with Kuehne + Nagel to Slash Order Turnaround from 20 Days to 72 Hours

Multi-client warehouse network gives customer flexibility to adjust product volume at each DC in response to local demand changes

SITUATION

Penda Corporation is the largest supplier of truck bed liners to the auto industry. Shipments go directly to the local auto dealers who are Penda's primary customers. Penda's distribution goal is maximizing customer satisfaction through parts availability.

Bed liners are an option customers can select when buying a new truck. Typically customers want to take delivery of the new truck – options and all – as soon as possible. And car dealers are anxious to meet these tight delivery requirements. In fact, timely delivery may even be the decisive sale-closing factor, which is why an efficient supply chain is critical to customer satisfaction.

Volume needs for truck bed liners are volatile; market demand fluctuates and special sales create high demand in specific regions. Penda, therefore, requires a flexible distribution system that could easily and economically handle these changes.

SOLUTION

To speed order turnaround, Penda uses multiple distribution sites throughout the country – primarily multi-client warehousing space. A relationship with the former Kuehne + Nagel subsidiary USCO Logistics began in 1987 and continues today. Currently, Kuehne + Nagel ships Penda product out of three distribution facilities; Penda also ships a portion of the orders from its own Portage, Wis.-based warehouse. Having local inventories speeds delivery of a large product that can't easily go via overnight shipment.

Kuehne + Nagel's nationwide network of multi-client warehouses gives Penda the economic flexibility to adjust the product volume at each distribution center in response to local demand changes. Penda has shipped product out of as many as 13 USCO warehouses.

RESULTS

When Penda's relationship with Kuehne + Nagel began, the average order turnaround for a bed liner from customer request to delivery was 20 days; today, it's 72 hours.

According to Scot Harvey, Penda Vice President of Operations, "Kuehne + Nagel is a quality-driven company that has continuously offered ways for Penda to improve product handling and distribution methods to reduce order turnaround time."

