

# Kuehne + Nagel's vendor-managed inventory solutions reduce inventory & improve efficiency of inbound material flow

*Need help with your supply logistics challenges?*

## **Consider Kuehne + Nagel.**

We're experts in designing and managing supply logistics solutions for some of the world's leading contract and original equipment manufacturers.

We can turn your supply chain into a competitive advantage, controlling your costs while implementing best practices governing such critical solutions as vendor-managed inventory.

With more than 30 years of experience serving the high-tech community, we have the knowledge and infrastructure to assist you anywhere in the world – including North America where Kuehne + Nagel operates 11 million square feet of distribution center space.

We have a complete range of integrated logistics services – from international forwarding to warehouse management to in-country distribution of finished goods.

Kuehne + Nagel  
Contract Logistics – US  
22 Spencer Street  
Naugatuck CT 06770  
888-856-8726  
logistics@kuehne-nagel.com  
www.kuehne-nagel.com

## **Transform Your Supply Logistics**

### **Your Challenge**

As you're pursuing the advantages of international trade, global sourcing and outsourced manufacturing, you're at the mercy of an increasingly complex supply chain. Fluctuating demand, imprecise forecasts and pressure to reduce inventory levels magnify the challenge of having the right component inventory to support manufacturing and distribution. An effective supply logistics solution – which may include postponing ownership of the inventory until shipment to the manufacturing site or end customer – can help you meet these challenges.

### **The Kuehne + Nagel Solution**

Kuehne + Nagel's supply logistics solution supports the efficient flow of materials into the market. Working closely with you and your suppliers, we automate the forecast management process with Web-based software that enables the flow of supply to more accurately mirror demand. The solution includes a vendor-managed inventory (VMI) program that postpones ownership of the inventory until shipment to the manufacturing site or distribution point.

Our supply logistics approach incorporates three components:

- **Move your inventory into our distribution centers and manage demand planning with Web-based applications.**

We can store and stage product for replenishment at our DCs, often freeing up costly manufacturing space. Our supply logistics software provides forecast visibility, comparing actual demand against on-hand and in-transit inventory. When inventory falls below pre-determined levels, auto alerts are sent to you and your supplier to prompt replenishment.

Advanced shipping notices (ASNs) provide detail on in-transit inventory from suppliers. As a result, you have visibility to inventory deeper into the supply chain and can confidently commit to orders based on this inbound flow. The ASN also serves as the link between the Web and Kuehne + Nagel's transportation track-and-trace tools, which provide accurate shipment status, including arrival times, to the part-number and purchase-order level.

- **Postpone inventory ownership until shipment to your site.**

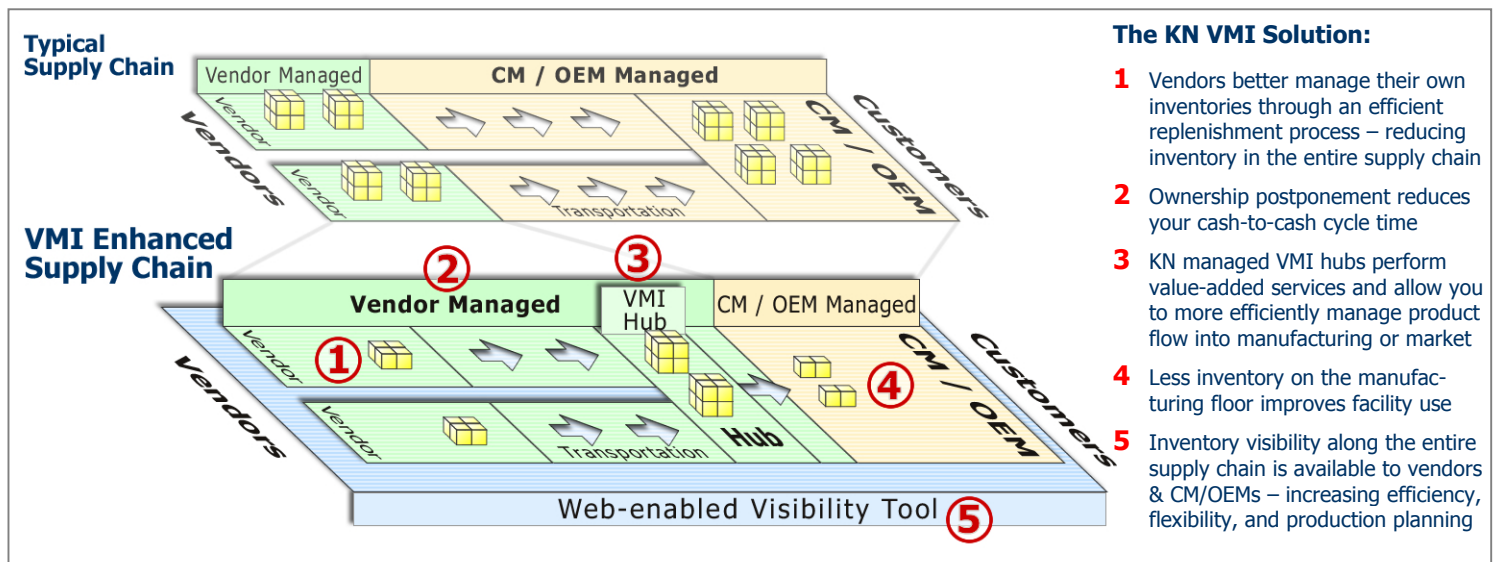
Once your inventory is moved to the Kuehne + Nagel DC, we work with your suppliers to transition inventory ownership until demand occurs.

- **Perform value-added services, allowing you to more efficiently manage the flow of goods into manufacturing or directly to market.**

These include:

- de-trashing (removal of corrugated packaging & implementation of returnable totes)
- materials preparation, such as kitting, for efficient handling at the manufacturing site
- testing & finished-goods inspection prior to direct-market fulfillment
- components programming
- sub-assembly, re-packaging, labeling & bar coding





## Your single source for integrated logistics.

Kuehne + Nagel is a leader in providing outsourced logistics services to high-tech manufacturers, helping to drive top- and bottom-line growth. And with extensive experience running both multi-client and dedicated warehousing facilities, no one knows better what it means to serve you as a trusted business partner.

Our integrated suite of services – from international forwarding, supply logistics, warehousing, transportation and after-market service logistics – have been custom-designed to meet the unique requirements of the high-tech industry.

Consider us an extension of your company, fully accountable and aimed squarely at driving quality up and costs down in your supply chain. Strategic distribution locations throughout the United States, Europe and Asia allow us to serve you around the corner, or around the world.

## Benefits of the Supply Logistics Solution:

- **Increased inventory turn rates**, since the need for buffer stock is lessened by demand-based forecast tools
- **Increased revenue**, as planning improves because of better visibility to inventory on hand or in transit from the supplier
- **Reduced administrative costs**, as the need to actively manage supplier replenishments is replaced by an automated system that triggers replenishment based on agreed-upon business rules. This allows procurement and planning personnel to concentrate on proactive issues.

Kuehne + Nagel is uniquely focused on the challenges companies face in managing inbound materials flow. We combine unmatched know-how in VMI programs with a custom-designed system and infrastructure to support our supply logistics offering, including:

- A supplier-management team that works to integrate your suppliers into the VMI program, under separate storage and distribution contracts with Kuehne + Nagel. Once the program is initiated, we meet with your suppliers to explain the benefits of VMI and the new processes.
- A Web-based VMI application integrated to KN operating systems for forwarding, domestic transportation and warehousing management.

A supply logistics solution works most effectively when it can be integrated into a broader process, with systems visibility across the supply chain. With 600 offices in 96 countries and comprehensive supply chain services, KN can manage your complete fulfillment process, from source to consumption.