Customer success story:
Creating and commissioning an integrated,
bespoke, scalable supply chain

In today’s trading environment, improving production efficiency, product quality and profitability are major concerns for businesses large and small worldwide. Developing reliable analytical solutions to help customers routinely control quality and processing throughout the supply chain has won one leading European specialist an enviable reputation for customer service.

This company’s customer-first philosophy however had resulted in the creation of six locally-controlled supply chains to handle high value, express shipments of delicate scientific instruments for repair, refurbishment or replacement. They approached FedEx to help define and direct a single centralised supply chain to benefit from economies of scale and maintain brand consistency without jeopardising their track record for exceptional customer service.

Understanding the Challenge

This privately-owned company has manufacturing operations in four countries, sales and service companies in 25 and more than 70 exclusive distributors worldwide.

They have over 40,000 customers worldwide including nearly all ‘top 100’ global companies within the food, agricultural, pharmaceutical and chemical industries.

Its dedicated analytical solutions have applications in biofuel, laboratories, dairy, meat, wine and many more.

To support their business in a growing market, we recommended FedEx Fulfillment Services®. A solution to establish a bespoke supply chain with a single pick-pack/storage operation specifically tailored to manage:

- Inbound transportation
- Warehousing
- Inventory Management
- Order Fulfilment
- Distribution
- Returns management

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Putting The Customer First

Rationalising the company’s existing individual supply chains across Europe had to be sympathetically managed in order to overcome potential resistance locally and without putting at risk the close customer relations already established in each country.

Consequently our Solutions Engineer began a constructive dialogue with the customer to identify their specific requirements and to produce a high level, value-added proposal in competition with more localised solutions providers.

Our customer was most impressed with the match between our culture and their own. An initial fear of being a small fish in a big pond working with a global giant like FedEx was soon dismissed, thanks to the commitment of team members and their determination to fully understand the customer’s structure in depth before making a single recommendation.

Customer Focussed

Our customer recognised that although their existing local operations enabled a more tailored approach, it wasn’t cost-effective. As a result, there were further discussions between the customer and ourselves.

This led to a new strategy as part of the FedEx Fulfillment Services solution whereby products from our customer’s two production facilities in northern Europe would be held at our European Distribution Centre in Eindhoven, the Netherlands.

"Centralising stock allows the controlled decommission of local warehouses in Spain, France, the UK, Germany, Poland and Italy to achieve cost savings and reduce capital locked in inventory.”

Managing The Transition

Our team members closely monitored the transition every step of the way as the stock was moved to Eindhoven. Daily contact with local customer staff set in motion a smooth handover during a 3-month timeframe. In this way everyone was given ample time to understand and appreciate how beneficial the new arrangement would be.

Positive reports from Spain also helped convince staff at the customer’s other locations that the process would work with no loss of local control or any lowering of customer service standards.

Value-Added Returns Management

Engineers in almost every organisation are widely acknowledged to have only one objective and that is to fix any problem quickly and efficiently: returning unused or faulty products in the same fashion is not however a priority. And this practice has inevitable cost implications for every organisation.

After extensive research the proposal to include return air way bills pre-printed with service check and account number with every product was an integral part of the FedEx Fulfillment Services solution. This would motivate the Service Engineers by making it easy to arrange for the regular return of damaged or defective parts/products using the nearest FedEx Express station for pick-up or drop-off.

Each return also carried a specific form recording whether the item was faulty or simply surplus to requirements. The product could then be forwarded for future repair or immediately returned to stock. This ‘split’ process helps control costs, ensures customers are credited accordingly and further optimises product flow.

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Dangerous Goods
With the customer’s product portfolio including re-agents used in analysis procedures, dangerous goods were an important subject for consideration. Road transportation within Europe has specific regulations with air transport regulations being even stricter.

Analysing the customer’s product information allowed us to ensure that its products would be stored in keeping with local regulations. They would be shipped and packed so that they could be moved safely by road or by air with the correct documentation in place for each and every consignment.

Temperature Controlled Storage
When shipments must stay within a temperature range from pickup to delivery, we can arrange specifically designed packaging or temperature-controlled storage and transportation solutions.

Although some of our customer’s products required chilled storage at 2-8 degrees Celsius, and frozen storage at minus 20 degrees Celsius, they were shipped at ambient temperatures without any special handling being necessary during their express shipment from stock to customer.

Flexible Distribution Network
With initial operations underway in Spain, our Solutions Engineer helped resolve concerns about distribution to remote areas, for example, those that could not be reached by an express, next-day service.

Integrating multiple carriers wherever necessary was a further demonstration of attention to detail and how a solution like FedEx Fulfillment Services is designed to put the customer first.

“FedEx managed to move 5,500 pieces from our largest location over the course of a single weekend. Everything was available for picking on Monday morning promptly at 9.00am, proving that the FedEx Fulfillment Services solution really was a perfect fit.”

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Give The Customer Everything We Can

Taking the time, trouble and effort to understand every aspect of a customer’s business as consistently demonstrated by our team members, produces results that exceeded expectations:

- **Economic.** Maximum savings on existing inventory costs
- **Optimised.** Intelligent returns management controls turnover
- **Reliable.** 100% Delivery target achieved to date
- **Dedicated.** Company and personnel share commitment to full roll-out
- **Customer Experience.** Positive feedback across all logistics areas and personnel
- **Quality.** Customer’s satisfaction track record maintained and enhanced

About FedEx SupplyChain

As an integrated logistics provider, FedEx SupplyChain executes solutions that leverage the FedEx transportation and information networks in commercial markets around the world.

The company provides integrated FedEx services for customers with high-value products or complex supply chain requirements. FedEx SupplyChain offers specialty logistics services through a network of owned and managed resources – all tightly integrated via advanced IT systems.

FedEx SupplyChain helps customers turn logistics management into a competitive strategy by enabling them to focus on core competencies, reduce costs and improve customer service.

Need more information?
Do you want to know what FedEx Critical Inventory Logistics® can mean to your business?
Please contact our Global Solutions Sales Executive team.
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