



Telecom Network Manufacturer Value-Added Warehouse & Distribution (VAWD)

Highlights



- Enabled staff productivity improvements of more than 33%
- Achieved overall services delivery operational savings in excess of 15% annually
- Improved facility layout and material flow that increased storage density and shortened time to put away and retrieve products, saving more than 10,000 square feet of warehouse space and hundreds of labor hours annually

The Challenge: The Special Customer Operations group of this Telecom Network Equipment Manufacturer was seeking to streamline internal operations and reduce operating expenses associated with its profitable and growing remanufacturing business. The company needed to increase the ability of the business to adapt to changing levels of demands and shift major cost elements from fixed to variable, by changing the service delivery model and moving to an outsourced solution.

Facing a pressing need to move out of their existing facility, while also understanding the need to limit the potential risk of disruption during any transition, this company turned to Spinnaker for an integrated set of Value-Added Warehouse & Distribution (VAWD) services.

The Approach: Spinnaker worked with the client to design and implement an outsourcing model to provide a specialized set of value-added warehouse and distribution services. These involved activities to plan, manage and execute the transition program, including:

- Build a customized warehouse and office facility designed to address specific client needs (e.g.–Secure storage, production/light assembly, in-house test lab, pack and ship, etc.)
- Coordinate inventory transfer of ~2500 pallets and truckloads of operating equipment in just 21 days
- Recruit, hire and train more than 20 people in a single month, reviewing a candidate pool of more than 450 applicants

Spinnaker also helped the client assess and revise operational business processes and coordinate knowledge transfer and training. We also identified other opportunities for continuous improvement and ways to maintain an unrelenting focus on serving the client's key customers, both internal and end consumers.

Services provided by the team at the new outsourced warehouse facility include:

- Logistics/Transportation Management
- Receiving
- Inventory Management
- Materials Management
- Forecasting
- Customer Service
- Purchasing
- Sourcing and Supplier Relationship Management
- Digital Equipment Testing
- Assembly
- Shipping and Expediting
- Service Management Reporting

The Results: Labor optimization, cross-training and re-engineered processes implemented by Spinnaker enabled client staff productivity improvements of more than 33% and an operational savings in excess of 15% per year on services delivery. The new and improved facility layout and material flow also increased the client's storage density and shortened the time to put-away and retrieve products, saving more than 10,000 square feet of warehouse space and hundreds of labor hours per year.

In the first 30 days, continuous improvement teams simplified material receipt and put-away processes to decrease the number of times a worker touched a product. This shortened the overall interval time, allowed faster processing of backlog, and ultimately provided more than 750 labor hours to accomplish value-added tasks and drive the implementation of other operational enhancements.

In addition, modifications to product packaging and pick/pack/ship processes have resulted in picking efficiencies, enabled same-day order fulfillment, and improved order accuracy, while shortening the order-to-ship timeframe.

Strategic benefits for the client include a more nimble workforce, greater adaptability and the ability to "do more with less," which helped the client overcome constraints associated with limited resources and support its emphasis on growth and expansion.

About Spinnaker: Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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