CUSTOMER SUCCESS STORIES

Slicing Global Logistics & Freight Costs

Success in India and Worldwide

A global automotive parts manufacturer that sources in India sliced logistics costs by nearly 12% the first quarter after partnering with Tompkins Ventures.

Beyond the savings on multimillion-dollar annual transportation spending, the ability to accelerate a process that normally takes 6 to 9 months pleasantly surprised the manufacturer's team, the company's vice president said.

The speedy results are even more impressive when you consider the scope of the manufacturer's footprint. In addition to India, the company sources components from China, South America and Europe. Production is in North America.

Targeted Improvement: India

The manufacturer's Indian operations, in particular, have undergone significant improvement, with more phases on the way. Initially, the company faced delays at air and ocean ports, limited storage space and inadequate loading docks at certain sites, and varying distances from suppliers.

Tompkins Ventures connected the manufacturer with the right partner to develop a systematic strategy to integrate all existing offices and suppliers in India involved in moving freight to Mexico. The results included quicker transit times, better inventory control, reduced supply chain costs, increased efficiencies and logistical consistency.

The approach consolidated freight from diverse locations into a central hub and established parameters for optimizing weekly sailings to ensure uninterrupted operations for "just in time" inventories at the destination.

In one location in India, the Tompkins Ventures partner relocated container loading to a nearby external facility. Storage constraints required retrieving finished products at various times during the week to free up space.

> *"30 days after we launched, we could tell a difference in costs and service levels—something that usually takes 6 to 9 months."*
>
> — Vice President, global auto parts manufacturer

A consolidated schedule for weekly shipments includes open dates for receiving freight and cutoff dates for both freight and documentation to ensure timely sailings. The manufacturer gets complete visibility, and the data helps the partner specify whether shipments will move as Full Container Load (FCL), Less than Container Load (LCL) or be deferred to the subsequent week. BCN (Buyer's Consolidation) also improved optimization.

Full container movements are now loading at optimal capacity levels, consistently achieving 92-96% maximum capacity.

Now that the India-to-Mexico pipeline is smooth, the partner and manufacturer are working to optimize the transportation of goods from consolidated suppliers in India to Europe, the manufacturer's vice president said.

PORTFOLIO OF SERVICES

- Ocean
- Air freight
- Road freight
- Global customs brokerage
- Cargo insurance
- Guardian/4pl – takes entire customer portfolio under our direction. (MTS) all or a portion of your portfolio.

A Strategic Asset, Not a Transactional Relationship

Beyond improved costs and efficiency, the vice president said the Tompkins Ventures partner did a great job with selecting logistics providers, a solid audit process and carrier management.

"They are a completely turnkey, one-stop shop," the vice president said. "It would take me an army to accomplish this because we use every mode: Ocean, less than truckload, full truckload, parcel, domestic, international, the whole gamut."

The Tompkins Ventures partner collaborated with the company executives to pull a year's worth of shipment data to completely evaluate transportation and understand the manufacturer's end-to-end supply chain. The analysis examined the company's shipping costs compared to market rates, instances where deliveries were less-than-truckload when they should have been truckload (and vice versa), multistop, postponement, current distribution center location vs. ideal sites for cost service, and more.

In some locations, the manufacturer was significantly over market. In other geographic areas, logistics spend was below market. Overall, the Tompkins Ventures partner's analysis showed annual savings of several million dollars.

The next phase will include a potential restructuring of the parts supplier's distribution network, warehouse operations and footprint, the vice president said. The restructuring could save up to another 10%. Such strategic ways to tackle supply chain issues are only available because the Tompkins Ventures partner has become an extension of the manufacturer's operations – a true partnership, not a transactional relationship.

The Tompkins Ventures partner "will be intimately involved in manufacturing strategy and footprint strategy," the vice president said. "They will be a partner as we make those decisions."

Tompkins Ventures

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