

Improved Lead Time for Major Imaging and Information Product Manufacturer

Shyft Improves Lead Time Variability and Reduces Supply Chain Expenses

The Business Need

As the explosion of the internet of things (IoT) creates more innovation in the industry, more and more products are becoming smart products, which means common consumer products are becoming obsolete in half the time they once did. This, in turn, creates a burden for many manufacturers who are trying to keep up with the pace of innovation — especially if they leverage large networks of downstream dealers and resellers to bring their products to market.

For one of the world's leading imaging and information product manufacturers, this proved to be the case. Their global community had expressed concerns with the level of efficiency in their supply chain operations, and they needed to improve within the areas of cost reduction, lead time and dealer experience and operations complexities. That's where Shyft Global Services came in.

The Solution

To guide the modernization of the company's supply chain operations, Shyft engineered and implemented the following strategy:

- ▶ Provided a geographically optimized logistics solution that allowed the company's product to be placed closer to the end consumer, creating more reliable lead times
- ▶ Incorporated a cross-dock facility on the west coast for inbound containers to distribute from, which allowed for distribution to a network of four additional logistics centers throughout the US
- ▶ Provided a variable fee structure for all logistics activities that were accretive to the company's operating income
- ▶ Implemented Shyft's hybrid operating model, which allowed the company to use Shyft as a single managed service provider for all logistics activities, product planning, order management, credit, invoicing and collections for fulfillment customers — as well as the IT development needed to support business needs and improve the dealer experience
- ▶ Integrated Shyft's SAP system with the company's own system to ensure a seamless data transition, ensuring that all relevant data points were transmitted timely and efficiently so that the company could maintain existing management, financial and KPI reporting

The Result

With a new variable pricing strategy in place, the company was invoiced monthly for "price per putaway task," "price per pick," "price per carton/pallet pack" and "price per cubic ft. occupied," removing overhead costs that didn't directly support their business.

The company was not only able to provide better service to their dealers in a cost-neutral position, but they also realized an estimated 12.7% reduction in overall tangible costs (transportation and handling alone) and were able to redeploy those service associates in areas that would grow and transform their business.

Partnering with Shyft also helped to significantly reduce logistics complexity, resulting in a 45% improvement in order-to-delivery note cycle time, a 6% improvement in delivery to post goods issue (PGI) cycle time, a two-day reduction in the time to required delivery cycle and a one-day reduction in total average transit time.

Please note: The company names used in this version of the case study reflect the current company names, although the case study may have been originally published prior to the rebrand of Shyft Global Services and/or prior to the Tech Data–SYNNEX merger.

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About Shyft Global Services

Shyft Global Services is a leading technology lifecycle service provider that partners with companies around the world to shift the way they do business. Powered by a robust global logistics network, team of outsourcing experts and decades of experience, Shyft's end-to-end product and customer lifecycle services enable technology companies to reinvest in growth, transformation and innovation. Ready to shift your business forward? Learn more at shyftservices.com.

Shyft Global Services is a division of TD SYNNEX (NYSE: SNX).