



IMPROVING RELIABILITY AND REDUCING INVENTORY: INTEGRATED PORT-TO-FACTORY SOLUTION

OPTIMIZING CARGO FLOW THROUGH BETTER SUPPLY CHAIN VISIBILITY AND CONTROL

CASE STUDY

The challenge



In late 2017, the customer, a global leader in packaging solutions, asked Damco to help them address a variety of challenges. The focus was on their Pune India facility, for which they import around 3,100 TEU of materials for factory use per year. The key challenges they were facing derived from a lack of visibility for their import supply chain, a follow-on effect from a lack of Shipment Status Reports and the customer's de-centralized, direct dealings with local Custom Brokers (CHB), truckers, yards for storage and Inland Container Depots (ICD). The impact was felt on many fronts. High turn-around time and low visibility led to higher inventory requirements and high demurrage and detention costs. The overall difficulty in being able to co-ordinate and manage multiple parties led to CHB issues, while the general unreliability of shipments reaching the factory on time created production delays, productivity loss, and bottlenecks.

Facing this complex of challenges, the customer invited us at Damco to come up with a solution.

The solution



The objective was clear: to improve shipment planning, visibility and inventory traceability, reduce inventory at buffer points, minimize detention costs, and to create a more stable, integrated and synchronized supply chain setup ensuring consistent and timely deliveries. To meet the objective, our proposal was an integrated port-to-factory solution that would optimize supply chain design, improve shipment visibility and control, and integrate DSRs. Key to this solution was Damco becoming the single point of contact for all import integrated port-to-factory activities including shipment visibility, trucking, CHB and warehousing. Further, we leveraged our Transport & Logistics synergies with APM Terminals, and our product capabilities around Trucking and CHB.

The result



As a result of our expertise in supply chain and logistics and our synergies with APMT, Damco successfully implemented Phase 1 of the proposed two-phase solution. As the single point of contact the customer now has a 'helicopter view' of all processes, in alignment with their carriers. Through better shipment visibility and control, the customer now has an optimized cargo flow with maximum cargo being cleared at the port and stocked at the APMT ICD in Pune (approx. 2km from the factory). This has helped to minimize supply chain inefficiencies and improve the overall on-time deliveries. Highlights of this case include:

- Smooth transition
- Two Phases: Phase 1 implemented (supply chain design and processes for polymers, paper, foil, add mat, processing material and project cargo)
- Phase 2 proposed (supply chain design and processes for all cargo that will speed delivery to the factory)
- Increase in percentage of DPD clearance
- Timely deliveries from multiple locations – significant reduction of TAT from days to in some cases hours
- Visibility and accuracy of data
- Formulization of aluminum foil process at Mumbai Port
- Air import clearance for aseptic material (coke shipment)
- Improved and proactive exception handling
- Reduced detention costs

The customer



The customer is a world leader in processing and packaging solutions, serving more than 180 countries and operating over 30 manufacturing facilities worldwide. They have an overall logistics spend of US\$15 billion, and use multiple modes of transport including express, air freight, FTL, rail and ocean.

About Damco

Damco is at the forefront of developing innovative supply chain solutions. We fuse our global network and depth of expertise with pioneering digital innovations to enable our customers to stay ahead. Our vision is to connect and simplify supply chains across the globe.

We are experts in the field of complex, rapidly changing markets such as Fashion, Retail, Chemical, FMCG and Technology. With a presence in over 100 countries, employing more than 10,000 people worldwide, we combine global reach with depth of local understanding. In 2017 we reached a turnover of 2.7 billion US dollars, managed 664 thousand TEUs (twenty-foot equivalent units) of ocean freight and 206 thousand tons of air freight.

We are proud to be a part of A.P. Moller – Maersk.