



SMOOTHING CROSS-BORDER LOGISTICS FOR A GLOBAL CONSUMER BRAND

Driving efficiencies, visibility and cost savings

CASE STUDY

The challenge



A global leader in consumer goods was becoming increasingly reliant on cross border shipments, as a result of rapid volume growth. Yet lack of control and governance in the supply chain was affecting visibility. Part of the issue was the involvement of multiple carriers, brokers and lanes.

The customer was seeking to drive efficiency and effectiveness via simplification, standardization and a shift to end-to-end supply chain operations.

In addition, the customs process required focus, to improve classification, duty drawback and Free Trade Agreements.

The solution



To gain visibility and control of the supply chain we established Integrated fourth party logistics management from origin to destination. Our solution covered transportation, customs brokerage and integration from manufacturing plants to distribution centres.

The data resulting from physical, informational and financial sources were integrated into a single platform to give full visibility of shipments at every stage.

We also introduced KPI and activity reporting as part of in-transit inventory management. In addressing the various local markets involved in the supply chain, we created a standard regional platform, which also included in-built flexibility for tailoring to local market needs.

The result



In Thailand, the customer achieved duty savings of US\$1.2million and improved day drawback efficiency by 33%. Detention and demurrage costs were reduced by US\$130k.

In Vietnam, we delivered documentation cost reductions of US\$20k by focusing on carrier combination. We also reduced the import lead time by implementing Citidirect tax payment.

Operations in Singapore benefited from a reduction in detention and demurrage costs of US\$100k.

Overall, across all operations, the pressure on employees' time was reduced through proactive task-based work flow management and third-party logistics management.

Real time visibility of all shipments meant that the team refocused on managing priority shipments by concentrating on exceptions. The process also eliminated thousands of emails and reminders, sped up escalations, reduces misses and removed all human error.

In addition, the improved audit trail of actions by date and time will inform future contract negotiations with 3PLs.

Finally, in addition to real-time visibility of bottlenecks and actions required, forecasting tools now help prevent backlogs within the supply chain.

The customer



A global leader in consumer goods, where consumers purchase more than 30 billion of its products each year. The company had experienced significant sales growth in emerging markets.

Production is both regional and global, with multiple plants around the world, which is increasing the client's reliance on cross border shipments.

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.