

Case Study Fourth-Party Logistics (4PL)

Business Challenge

A major, global power systems manufacturer needed to optimize their systems for incoming B and C-class hardware.

OTIF (on time delivery in full) was below 80%, they were managing 50+ suppliers worldwide, and they had on average 1,000 parts per million (PPM).

Looking to drive down costs, increase efficiency, improve incoming delivery and quality performance, and put a greater focus on core activities, the manufacturer chose to partner with Incora.

Incora worked alongside the customer to develop a customized fourth party logistics program for the manufacturer's facilities, combining both expertise and forecasting systems to achieve the optimum results.

Results

Incora manages over 1,700 incoming deliveries each week for the customer while driving substantial cost savings and efficiencies.

| | Before | With Incora |
|------------------------------|---------------|---------------|
| On-time delivery in full | 79% | 99+% |
| Parts spend | \$26+ million | \$25+ million |
| Suppliers to manage | 58 | 1 |
| Employees managing suppliers | 6 | 0 |
| Inventory months | 4 | 0 |
| Working capital | \$23+ million | Negative |
| Parts per million (quality) | 1,000+ | 17 |

Due to the success of the 4PL program, Incora has expanded to manage 28 global sites for the customer.

Incora™ Solution

Incora developed a comprehensive 4PL program that targeted all levels of inventory management for incoming B and C-class hardware.

Using just-in-time delivery methods, customized kits, advanced forecasting software (akravis™), and more, Incora took over management of the customer's:

- Inventory forecasting (akravis™)
- Orderbook management
- Supplier engagement and escalation
- Inbound deliveries
- Goods receipt and inspection
- Inventory holding and management
- Quality and containment activity
- Customer demand management
- Delivery solution implementation
- Audit and dispatch
- On-site stock replenishment