



AVERITT

Think Red Instead

Case Study

Averitt's Single-Source Solutions Deliver Rock-Solid Results

**Leading Manufacturer of Fiber
Optic and Lighting Products**

Market: Manufacturing, High-Tech, Lighting

Logistics Services: LTL, Truckload, Dedicated Transportation, Importing and Exporting Services



Situation Overview – A Complex International Supply Chain

Operating in more than 100 countries, this leading manufacturer of fiber optic and lighting products develops applications for silicon dioxide... more commonly known as "quartz." Quartz is used in a wide range of applications, including products in the semiconductor, fiber optics and lighting industries.

With 10 U.S. locations, five international sites and veins of vendors and customers across the globe, its supply chain often presents complex challenges.

Supply Chain Challenge – Increased Efficiency, Shortened Production Times and Shortened Order-to-Delivery Times

The center of this shipper's manufacturing activity is northeast Ohio, where raw materials are received, processed and disbursed through four plants and two distribution centers.

Integral to its northeast Ohio operations are several material flows. Among them are:

- Raw materials transported from quartz mines in the U.S.
- Raw materials imported from the Far East
- Refined raw materials exported to Germany to support sister plants
- Finished goods moved to domestic and international customers

Challenge:

To manage multiple regional plants and warehouses in a more cost-effective manner

To shorten production times, order-to-delivery times and transit times on international shipments

Solution:

Single-source transportation solution comprising:

- 1) Operating interplant dedicated moves and cross-country dedicated truck program
- 2) Managing exports to Germany and imports from the Far East
- 3) Handling inbound and outbound LTL and truckload transportation
- 4) Coordinating time-critical shipments for quick-turn order fulfillment

Results:

Streamlined operations, lower costs and faster transit times



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The manufacturer desired to manage its northeast Ohio plants and distribution centers in a more cost-effective manner. Additionally, to meet the challenging demands of customers in a fast-growth market, it needed to shorten production cycles and shorten order-to-delivery times.

“Averitt took what was a costly transportation process and applied creative solutions for a superior cost-effective program to meet our needs.”

— GLOBAL DISTRIBUTION & LOGISTICS LEADER

Averitt’s Supply Chain Solution

LTL / Time-Critical Transportation

Averitt’s relationship with the manufacturer began with outbound and inbound LTL transportation, in addition to coordinating time-critical services for expedited deliveries.

As the relationship progressed, a supply chain analysis revealed further opportunities to increase efficiencies and improve transit times.

Inter-Facility Closed Loop Transportation

The manufacturer wanted to improve space utilization at its northeast Ohio plants and warehouses and increase the efficiency of inter-facility shipments.

To relieve this situation, Averitt created a dedicated truck program that includes Averitt trucks making daily, closed loop runs between the warehouses and plants. These dedicated units transport raw materials from the warehouses to the plants and shuttle finished goods from the plants to warehouses for distribution to customers.

Built on an efficient, coordinated schedule controlled by the manufacturer, this system has greatly reduced the space needed for material staging at the facilities and has dramatically increased production efficiencies.

Truckload Transportation

The manufacturer also needed to increase its capacity for inbound shipments of raw materials. To accomplish this, Averitt allocated capacity from its truckload fleet specifically for the transportation of regular loads moving from quartz mines to northeast Ohio.

Averitt built in optimum flexibility by allowing the shipper to work directly with the drivers to set and manage delivery timetables. As a further benefit, Averitt set up round-trip truckload moves from northeast Ohio back to origin. This improved efficiencies and reduced costs by drastically reducing empty miles.

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This flexible truckload program allowed the manufacturer to efficiently increase inventory turns in each plant.

Importing/Exporting

Another major need of the manufacturer was to shorten transit times for international shipments.

Prior to Averitt's involvement, the manufacturer was averaging transit times of 35 to 45 days on its export shipments moving to Germany. Averitt was able to shorten that process down to 14 days by streamlining the exporting process as follows:

- Through an ocean partner relationship, Averitt supplied containers for direct loading at the northeast Ohio plants. This was in contrast to the previous system in which van loads were shipped via truck or rail to the ports.
- At the ports, since the containers had already been loaded at the plants, they were able to be immediately placed on an ocean vessel instead of having to first be transloaded.
- To further expedite the process, Averitt found new partners on the Germany side that could deliver faster to destination than the previous carriers.

The manufacturer was also having difficulties with inbound shipments originating from the Far East getting held up with a consolidator at the Port of Long Beach in California.

To remedy this situation, Averitt began managing the importing process, including:

- Coordinating drayage to Averitt's portside deconsolidation center in Long Beach, California
- Transloading the ocean shipments from ocean vessel to warehouse
- Building direct loads for transportation via truck
- Managing the linehaul across the country back to northeast Ohio

This process has allowed the manufacturer to receive supplies from the Far East much more quickly to support production and shorten order-to-delivery times.

Cross-Country Closed Loop Transportation

Since the manufacturer has a major deposit of customers in the Silicon Valley region of northern California, it regularly needs to move shipments from northeast Ohio to northern California. Additionally, it needs to move exports from northeast Ohio to the West Coast for delivery to its international customers. At the same time, it has supplies imported from the Far East arriving regularly at Long Beach.



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An analysis of this material flow led Averitt to establish a creative outbound/inbound closed loop transportation model. Each week, Averitt makes a dedicated move from northeast Ohio to the West Coast, carrying both finished goods bound for customers in the Silicon Valley and finished goods to ultimately be exported from Long Beach to international customers.

Once Averitt delivers the finished goods in northern California, it proceeds south to Long Beach, where the remaining finished goods for exporting are unloaded.

Then, in Long Beach, Averitt picks up supplies that have been imported from the Far East and are bound for the facilities in northeast Ohio. Once the dedicated unit arrives in Long Beach, the imported supplies are loaded onto a trailer, and the unit departs for a return trip to northeast Ohio with inbound supplies needed to meet just-in-time production requirements.

Results – Streamlined Operations, Lower Costs and Faster Transit Times

The reengineering of the manufacturer's supply chain has produced significant results.

From streamlined operations, to lower costs, to increased production efficiencies, to the increase of inbound capacity, to drastically improved cycle times, Averitt has helped the manufacturer meet many of its production and distribution goals.

For more information about Averitt Express Supply Chain Solutions, call 888-825-4333 or visit www.averittexpress.com.

Materials Flow Overview

