

3PL Links Case Study: Manufacturing

Navigating Your Way in the New Economy

With more than 17 years of experience in the 3PL industry, 3PL Links has worked with a wide range of companies. One specific account holds the title as one of the world's largest steel producers with an annual crude steel production of over 80 million tonnes. With a philosophy to produce safe, sustainable steel, it is one of the leading suppliers of quality steel products in all major markets including automotive, household appliances, packaging and construction. With offices and manufacturing facilities throughout the world, this manufacturer has many complex solutions that reach beyond borders.

Despite its size and dominance in the market, it was not immune to the trickledown effects of outsourcing. Such was the case with its manufacturing facility located in Ontario, Canada. The facility combines tube making and processing, serving the automotive and mechanical industries. In 2012, one of the company's largest customers (accounting for more than half of its business) moved their manufacturing facility from Detroit to Mexico.



With their primary customer relocated to Mexico, 3PL Links' customer was faced with numerous obstacles, including, but not limited to, the possibility of major production modifications after many years of production. With the cost of shipping increasing to approximately 1166% of its original cost, and travel time increasing by 400%, they were looking for any form of logistical relief.

Heading in the Right Direction

Since the company's beginnings almost 17 years ago, 3PL Links has been committed to making things as easy as possible for our customers by understanding their needs. While the customer's Tubular division faced tighter budgets, they wanted to maximize the investment they made in their Canadian infrastructure while minimizing costs where possible. To that end, 3PL Links approached them with an innovative system solution that added value to everyday operations and helped reduce cost, create efficiencies in shipping and sustained product quality.

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Before the solution could materialize, 3PL Links had a series of consultative meetings with their customer to identify and illuminate all their logistical challenges. Through these consultative meetings it was determined that the customer's challenges went beyond a cost and delivery time increase.

3PL Links worked closely with them to discover that:

- The manufacturer could and should obtain increased visibility on their entire transportation network.
- The manufacturer's carriers were inconsistent with their pick up times from the manufacturing facility.
- Their carriers were facing costly delays at the Mexican border due to custom issues.
- Insufficient Warehousing and product handling procedures resulting in quality issues upon arrival.

3PL Pilot Project

The partnership between 3PL Links and the manufactures kicked off as a *Pilot Project* in December 2012 under the direction of a 3PL Links Business Development team led by Jarel Cockburn and Marco Grossi. A program of this magnitude requires effective project execution. 3PL Links' unique single-source service approach integrates all of the essential components through a proven methodology including; pricing, dispatching, customer service, operations management and auditing. The 3PL Links team offered seamless integration to their customer's business structure and culture ensuring added value and consistent savings.

The pilot project exceeded all expectations and 3PL Links obtained transportation savings of approximately 26% greater than their customer had hoped for. Further to that, the customer has gained complete visibility of their entire distribution network from Ontario to Mexico. Customs delays have been all but eliminated and the product is arriving to their customer as it is intended to.

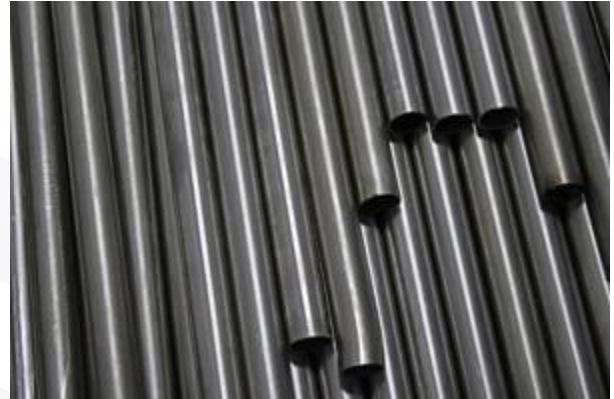


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The Solution: A Custom Fit

With over a year of partnership underway, 3PL Links and its customer have witnessed continued success with 3PL's organic solution. The generation of this solution proved challenging, however. Due to massive volume and very specific handling requirements, the solution required some logistics fine-tuning. Upon delivery, these tubes could not have any rust, scratches, or wear of any kind. An exclusively over-the-road solution would be ineffective, as too many different carriers would be needed to handle the volume.



Rail proved to be an effective method of handling the volume. However, one potential rail solution increased lead time due to the blocking and bracing necessary to ensure quality control. Other potential rail solutions did not have the equipment needed to move the product without damaging it. 3PL Links then reached deeper into their network of partners, and targeted a rare and specialized transloader who had the necessary equipment and was properly equipped to handle the volume. This laid the groundwork for the new solution. With the right combination of partners in place, 3PL Links rolled out the pilot project and continued to work closely with its customer and partner's management to ensure smooth integration, as well as to track the success of the new system.

The needs of any business are constantly altered as the demands of the market evolve. The 3PL Links team has continued to work closely with its customer to evolve and expand their logistics solution to match their ever-changing needs. As new technologies are made available, 3PL Links has fostered new and different relationships in order to provide the best possible combination of our best-in-breed partners. This has allowed 3PL Links to drive costs even lower, cutting an extra 18% off the transportation costs and improving the customer's bottom-line even more. This ongoing organic customization has resulted in an excellent relationship between these two companies, with 3PL Links acting as a valued member of the team.

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Where Do We Go From Here?

To ensure the highest possible level of service, 3PL Links manages their partnership with the customer constantly. Continuity of service and knowledge is ensured by maintaining a dedicated staff to handle the account. From account managers, to dispatchers and data analysts, this dedicated team holds top-to-bottom knowledge of all relevant aspects of the account. This allows 3PL Links to provide continuously fast and efficient customer service as the single point of contact for its customer. In addition to regularly scheduled routes, 3PL Links organizes contingency shipments as well.

This dedication to our accounts also allows 3PL Links to stay out in front of changes in the marketplace. For example, as the Mexican government continues to alter their regulations on shipping, the needs of this solution become even more specific. Furthermore, rapidly evolving container and transportation technology and an incredibly competitive marketplace put ongoing pressure on the needs of the customer's logistics solution. As these challenges arise, 3PL Links continues to flex the muscles of their growing network of valued partners, never dropping the ball or missing an opportunity to improve price and service.



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