



Industrial

Installation logistics solution lets market leader's engineers focus on customer service

Kuehne + Nagel consolidates parts from multiple vendors, delivers integrated orders to job sites

SITUATION

Installing a mechanical and electrical system that controls heating, ventilating, air conditioning and energy use, requires a level of logistical planning that rivals any industry. One U.S.-based global market leader clearly understands these challenges. The company needed a solution flexible enough to merge and consolidate shipments from multiple vendors, and at the same time offer their field professionals the ability to request time-specific deliveries of high-cost, high-risk construction materials. Success would spell a competitive advantage; anything less would lead to added costs and lack of customer confidence.

To meet this challenge, the company began moving to a more agile logistics model. It sought a third party with the infrastructure to store inventory close to their customer's construction sites, the proven experience to deliver materials to meet specific delivery windows, and the technology to provide real-time inventory visibility, ordering, and tracking tools.

SOLUTION

The company partnered with Kuehne + Nagel, a global logistics leader with more than a decade of experience in critical service logistics. Kuehne + Nagel manages a flexible, readily expandable North American infrastructure of more than 150 depots with real-time visibility capabilities. The provider configured its Web-based logistics management system to support the customer's contract-driven fulfillment activities, and trained the staff in 60 critical service depots to handle the company's product.

In traditional field service-supply chains, users typically pick up the phone or log in to locate inventory that is in a depot. This company's installation business is different. When their engineer orders product using their company's legacy system, the information is fed to the Kuehne + Nagel system for field visibility. Specially trained Kuehne + Nagel customer service personnel play an active role in communicating issue resolution that could cause shipment delays. JIT-fulfillment from the depot is the second of two steps, and the Kuehne + Nagel system allows field professionals to request a delivery when their construction schedule requires it.

When shipments arrive at the consolidation points, depot staff process the receipts against a company contract number. The Kuehne + Nagel system's ability to pull multiple vendor shipments under a single contract number is key to consolidating each construction delivery. Using Kuehne + Nagel's system, depot staff efficiently store inventory to optimize picking for deliveries. Over one-third of the delivery requests call for two- or four-hour fulfillment, which mandates intelligent stocking in the depot. Experience in last-mile fulfillment is critical because a delay of the arrival of these construction materials could mean that highly-paid technicians are on-site, but unproductive.

RESULTS

With the help of Kuehne + Nagel, the company now has a committed behind-the-scenes partner that gets the right inventory to the right job site at the right time. The result: company engineers can spend their valuable time working on critical installations and service – not tracking inventory.

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