



Smooth Delivery of Critical Parts With No Disruption of Service

Transition strategy focuses on staff retention, process improvement

SITUATION

When its third-party logistics provider unexpectedly left the business after managing District Parts Centers (DPCs) in the Northeast, Xerox had just 90 days to find another provider. After a thorough bid process, Xerox awarded a three-year contract for six sites to Kuehne + Nagel (NOTE: the contract originated with Kuehne + Nagel subsidiary, USCO Logistics).

Xerox is the global leader in document solutions, services and systems, from office printers and multifunction systems to digital color presses. The company wanted to maintain its proven track record of providing responsive customer service. To provide its field engineers with accurate and reliable delivery of parts, Xerox set the following requirements for its new third-party logistics provider:

- Ability to rapidly mobilize and assume operational control of the six DPCs or secure new sites as necessary
- Maintain and improve order turnaround time to support engineers and expedite courier pickup
- Maintain and improve defective material processing time at the DPCs
- Commitment to quality, operational excellence and continuous improvement

SOLUTION

Drawing upon its leading-edge capabilities expertise in service parts management, combined with years of providing customized supply chain solutions, Kuehne + Nagel developed a comprehensive plan for achieving Xerox's logistics goals. The three-pronged strategy included:

- A detailed transition plan that minimized service disruptions and allowed Xerox to remain in a number of its current DPCs
- A strategy aimed at retaining all existing DPC personnel
- An operational strategy targeting common processes, metrics and operating culture

RESULTS

Kuehne + Nagel seamlessly transitioned six DPCs over a defined time period with no negative impact on customer service or technician confidence. Additional positive results achieved:

- Improved service / shipping performance, improved inventory integrity, and reduced order cycle times in required locations
- Increased efficiencies and substantially reduced costs through process standardization and associate training
- Established consistency to all six facilities with standardized metrics and management and operational best practices
- Enhanced relationships with Xerox field technicians
- Introduced a new management team, including a business manager
- Retained nearly all DPC employees, which was a top priority.

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"Kuehne + Nagel has delivered, providing us with a virtually seamless logistics solution with no negative impact on our business or customers," said Elissa Dailey, Xerox Parts Fulfillment Manager, East.

