



## Kuehne + Nagel Drives High-Performance Logistics for BMW Core-Parts, Cycle Divisions

### ***Solution drives same-day turnaround on 99% of all orders***

#### SITUATION

Satisfying dealer demand for quick response and accurate delivery is a primary goal of every auto manufacturer. For BMW – a company known for the high performance and reliability of its automobiles and motorcycles - delivering superior dealer service is non-negotiable.

"We place great value on the quality of everything we do," says Egbert Basan, BMW Manager of Parts Logistics, "from developing innovative products to meeting the daily needs of our customer base."

BMW recently reengineered its distribution process to reduce costs and improve response time for dealers and parts vendors. The company had used two private facilities for the distribution of new parts, motorcycles and core-parts returns. When new-parts sales began to expand, BMW sought a third-party logistics partner with the expertise and resources to manage domestic distribution of motorcycles and returns of core parts such as engines and alternators. The company chose Kuehne + Nagel, which leveraged its nationwide warehouse network to implement an efficient, cost-effective solution. (NOTE: the contract originated with former Kuehne + Nagel subsidiary, USCO Logistics).

#### SOLUTION

BMW motorcycles are distributed from two Kuehne + Nagel locations in New Jersey and California. Each facility inspects all motorcycles for damage upon receipt. Kuehne + Nagel then stores the motorcycles by model number, color and vehicle identification number, and ships 99 percent of all orders same-day to dealers nationwide. Access to BMW's electronic inventory system enables Kuehne + Nagel to check status of inbound shipments and report dealer deliveries.

BMW core-part returns are managed by five Kuehne + Nagel multi-client facilities in Atlanta, Dallas, Chicago, Jersey City, N.J., and Cerritos, Calif. Each facility processes inbound core-part shipments from dealers, and distributes returns to vendors in the U.S. and Germany. For dealers, working with five centralized warehouses, instead of two, has reduced freight costs and expedited credit processing. Kuehne + Nagel maintains strict compliance with individual vendor regulations for parts and delivery.

#### RESULTS

Kuehne + Nagel is now supporting record sales for BMW motorcycles. Its resources and expertise in distribution have enabled BMW to:

- Achieve same-day turnaround on 99 percent of all motorcycle orders.
- Reduce dealer freight costs for core-parts returns.
- Dedicate its private facilities to new-parts distribution.
- Better respond to seasonal peaks and new-product introductions.

"These resources are a big asset to BMW," says Basan, "because they allow us to address issues more quickly and cost-effectively than if we were managing the jobs internally."

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