



## Radica Selects Kuehne + Nagel for Enhanced Distribution of Electronic Entertainment Products

***Optimized distribution and efficient outbound transportation gives Radica streamlined operations and cost-saving delivery times***

### SITUATION

Radica, a Hong Kong based manufacturer since 1983, is the leading supplier of casino-type electronic handheld games in the United States. Its high-profile retail customers include Wal-Mart, Target, Toys R Us, Kmart, and Kohl's.

Struggling with an outdated supply-chain strategy, Radica realized that the services from its current logistics provider were not adequate in keeping up with the increasing demand of the highly competitive electronic gaming market. The single distribution center located on the West Coast made it difficult to serve its mass retail base throughout the country in a timely and efficient manner.

Radica needed increased warehouse space and a more streamlined, cost-effective transportation solution to reduce delivery times. The company selected Kuehne + Nagel to replace its third-party logistics provider due to the company's distribution center locations, pricing and range of services.

### SOLUTION

Kuehne + Nagel began by conducting an optimization study, which involved an analysis and overview of current processes that would form the basis of a logistical road map. Radica's most obvious need was the creation of a cost-saving distribution network. As a result, the recommendation was made to designate a shared warehouse in Louisville, Ky., as the main distribution center. This site not only provided an economical solution but was an obvious choice because of its central location.

The new Radica distribution network would also include the Kuehne + Nagel shared facility in Toronto, Canada, as well as the shared facility in Cerritos, Calif., to maintain the limited West Coast distribution. By integrating this network (average warehouse storage area of 80,000 square feet) throughout the country, operations and transportation have progressed seamlessly.

In addition to the creation of the streamlined distribution network, logistical services were also provided and include: case picking, labeling, advanced shipment notifications, repacking and reworking inventory, as well as transportation management for both land-to-land and parcel shipments.

### RESULTS

Kuehne + Nagel's services have led to improved timeliness, delivery reliability, and reduced cycle times. In 2006, Radica cited the Kuehne + Nagel's efforts as instrumental in its recognition by Wal-Mart as number two on the retailer's list of top "must-arrive-by-date" compliant toy suppliers.

The solution has reduced shipping costs and inventory while successfully meeting customer requirements, increasing the company's competitiveness.

Kuehne + Nagel  
Contract Logistics  
1-888-856-8726  
logistics@kuehne-nagel.com  
www.kuehne-nagel.com

