



Auto

Kuehne + Nagel Implements Logistics Solution to Speed Parts to Automaker's Canadian Dealers

Reduces inventory & cycle time

SITUATION

Satisfying dealer demand for rapid and accurate parts delivery is a primary goal of every auto manufacturer. For one leading auto giant – a company known for quality performance and reliability of its automobiles – providing exceptional dealer parts service is critical.

The automaker has more than 140 dealerships across Canada and initially operated a private facility in Vancouver to distribute parts to western Canada. The company sought a third-party logistics partner with vehicle parts distribution expertise when sales increased -- along with the costs of continuing to operate its own DC.

SOLUTION

In 1994, Kuehne + Nagel's Edinburgh distribution center was chosen by the company to handle all parts distribution to its dealerships in the provinces of Alberta, British Columbia, Saskatchewan and Manitoba. (The automaker handles distribution to the rest of Canada directly.)

The Kuehne + Nagel operation was designed to the company's custom specifications. A three-tier mezzanine was installed to store 15,000 SKUs of small car parts. A "hazardous goods" cage was put in to stock airbags and aerosol paints.

RESULTS

Kuehne + Nagel currently manages 33,000 SKUs in 42,000 square feet of warehousing space. Approximately 42,000 lines are received per month and 86,000 lines are shipped per month. Kuehne + Nagel's Edinburgh's staff manages all inventory-related processes, including all inbound receipts, identification of product for quality inspection, and disposal of damaged product, including scrap and repack.

Kuehne + Nagel seamlessly transitioned the automaker's operation with no negative impact on customer service.

