TRANSSOLUTIONS CONSULTING

Supply Chain Redesign

Case Study

CHALLENGE

Package product shipments by van from the mine are expensive & difficult to schedule due to weather & carrier equipment availability.

SOLUTION

Transport packaged material by rail from the mine to regional distribution points then by truck to customers.

RESULTS

⇒ Lower delivery cost
⇒ Shorter lead times
⇒ Better positioning of goods
⇒ Better response to emergency requirements

For more Information please visit

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Getting product to market at lower costs

The Client

An international producer of high-performance minerals: talc, precipitate calcium carbonate, ground calcium carbonate, lime, Dolomite, and barites. You will find these chemicals in just about Everything, including paper, plastics, paint, gum and pharmaceuticals. The client was challenged with lowering the company's supply chain costs and eliminating service disruptions.

The Challenge

After paying the freight to deliver orders to manufacturers, there was little profit margin left on the merchandise. Since this product was delivered to meet tight manufacturing schedules, truckload service was determined to provide the most consistent on-time delivery. Other issues (besides the high cost of shipping) were the lack of trailer availability at the production facility, delays from inclement weather, and the loss of one pallet space to tire chains in the winter. The delays caused multiple problems with the customers and sometimes the freight had to be expedited to meet production schedules, eliminating any profit on the goods.

Over $500,000 in annual savings to client.

Over $500,000 in annual savings to customer.

The Solution

Our project focused on the northeast area of the U.S. We determined that it was more economical to load product into railcars, and the transport them to a third party logistics provider (3PL) in New Jersey with warehouse capacity and a rail side. Orders were fulfilled by this 3PL to meet time specific delivery requirements. Emergency orders to customers could be fulfilled because a small amount of inventory was kept at the 3PL, therefore eliminating the need to expedite orders. Although inventory grew slightly to accommodate for the longer time-in-transit on the rail and carrying extra stock at the 3PL, it did not add to the supply chain costs because inventory had a low value. Service improved considerably while supply chain costs reduced significantly. Cost savings from the new distribution method enabled our customer to reduce its price to its customers, increasing sales.