



FIDELITONE™

INBOUND LOGISTICS SUCCESS STORY

FROM "RAW" TO RICHES

Outsourced inbound logistics services allow manufacturer to rack up savings

AT A GLANCE

Company: Consumer goods manufacturer

Industry: Food & Beverage

Key Challenge: Manufacturing costs were high and growth was being hindered by capacity restraints and non-core competencies

Solution: Implement a nearby warehouse operation managed by a third party supply chain services provider

Outcomes:

- **6-figure savings** in labor and overhead
- **\$1 million annual savings** in transportation costs
- Flexibility to grow and scale

Having the right materials in the right place at the right time **eliminates downtime that can cost up to \$260,000/hr.**

Background

With rising orders, capacity was at a premium for this food manufacturer. In addition, manufacturing costs—labor, equipment, and overhead—were climbing. A growth strategy that could optimize resources was essential.

KEY CHALLENGE

How could the company increase manufacturing capacity and provide support for storing raw and finished goods? With 900+ annual inbound shipments of raw materials and 150,000 sq. ft. in use for storage, the company needed to command the space to increase manufacturing. Furthermore, the company had to decide how to store and manage 1,700 annual outbound shipments of finished goods. While facing these challenges, the company also wanted to devote focus to its core competencies.

SOLUTION

The client partnered with FIDELITONE to operate inbound logistics through a nearby warehouse and fulfillment services center. FIDELITONE began providing services to manage receipt of raw materials from vendors, conducting inspection and quality assurance of materials as they arrive. It implemented a process of shuttling materials to the production facility in rhythm with manufacturing requirements. In addition, the warehouse became the hub for receiving and storing finished goods. Applying expertise in complex B2B fulfillment, FIDELITONE began managing order fulfillment to the client's customers.

Being only a few miles away, FIDELITONE's warehouse and fulfillment center acts as a highly efficient extension of the client's manufacturing operation. Removing the need for storage of both raw materials and finished goods opened up space for expanded manufacturing.

Support traceability

The Warehouse Management System implemented by FIDELITONE provides the ability to support inventory and fulfillment requirements, including FIFO, FEFO, expiration date, lot control, and more. Because the client is in a highly regulated industry, traceability is critical; it is fully supported through robust, integrated data systems.

Visible and versatile

Across the manufacturing industry, downtime can cost \$260,000/hr. FIDELITONE's integration capabilities allow data to be sent quickly and accurately to support tight production schedules and reduce production downtime by having the right products in the right place at the right time. The systems in place ensure full visibility to track critical products and shipments at every step in the supply chain. This outsourced solution provides crucial versatility to respond to peaks and valleys in demand for manufacturing and finished goods fulfillment.

OUTCOMES

Outsourcing non-core business activities to an expert who specializes in supply chain management has led to a high level of service with reduced costs. The client no longer has to invest resources in hiring, training, and managing warehouse staff. Timely, accurate order fulfillment is earning customer loyalty while reducing chargebacks. With new efficiencies in place, annual revenues have increased by \$720,000. Next up: The company plans to replicate this solution in multiple locations.



6-FIGURE SAVINGS IN
LABOR AND OVERHEAD

\$1 MILLION

ANNUAL SAVINGS IN
TRANSPORTATION COSTS



INCREASE ANNUAL
REVENUE BY **\$720,000**

Ready to help your manufacturing operation gain an edge? We'd like to hear from you. **Call 800.475.0917.**



EARNING CUSTOMER LOYALTY

FIDELITONE, a supply chain management firm, helps you earn your customers' loyalty through specialized services in inbound logistics, order fulfillment, last mile delivery, and service parts management.

We manage resources, create right-fit solutions, and optimize supply chain processes to advance your business performance and profitability. At every step and in every service, FIDELITONE employees focus on the touchpoints that safeguard your brand and keep your customers coming back.

We're paying attention to what matters to you in your business. We're paying attention to what matters to your customers when you entrust your brand promise to us. We're building high-performing answers to your toughest supply chain challenges.

Call 800.475.0917 or visit [fidelitone.com](https://www.fidelitone.com)