



Industrial Fastener Manufacturer

AFS Services: Transportation Management

ABOUT THE CUSTOMER

The manufacturer is one of the oldest operating and an acknowledged leader in the construction fastener industry. They solicited AFS for supply chain recommendations to align their Distribution Center (DC) footprint with customer locations.

CHALLENGES

The manufacturer had an inefficient, cost-heavy network plagued by low productivity and redundant supply lanes. They lacked the manpower and capabilities to analyze data from current operations and properly adjust the supply chain. The manufacturer wanted new strategies to factor in an existing customer base, carrier contracts and product segmentation to ultimately reduce their cost to serve. They also wanted to examine the possibility of closing existing DCs and/or opening new, more efficient locations.

SOLUTIONS

AFS collected the manufacturer's network data, modeled the current state and developed multiple proofs of concept. A custom optimization model was created comparing every combination of the existing DCs and potential new DCs for best-of-3 and best-of-2 solutions. AFS rated hundreds of thousands of shipments from both existing and new origin points to previous destinations to highlight current inefficiencies and offered a recommendation for reducing DCs to 3, while still being able to offer a 2-day transit time.

RESULTS

AFS' recommendation to reduce DCs to 3 enabled the manufacturer to offer a 2-day transit time or below for 97% of their shipments. This also led to a 13% reduction in their carrier spend. In addition, the manufacturer now has customized, in-depth, network optimized reporting to more accurately forecast customer trends—allowing them to show the value of future product expansion.



2-DAY

**TRANSIT TIME OR BELOW
FOR 97% OF SHIPMENTS**



13% REDUCTION

IN CARRIER SPEND