Industrial Fastener Manufacturer

AFS Services:
Transportation Management, Network Analysis

About the customer

The manufacturer is one of the oldest operating and an acknowledged leader in the construction fastener industry. They asked AFS for recommendations on how to best align their Distribution Center 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 their logistics network. 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 Distribution Centers 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 Distribution Centers and potential new ones 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 their centers to 3, while still being able to offer a 2-day transit time.

Results

AFS' recommendation to reduce Distribution Centers 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 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

afs.net | 877.242.3383 | 670 Emberwood Dr, Shreveport, LA 71106