



Leading Nutrition Company | A CASE STUDY

CHALLENGE

This OHL customer purchased a meal replacement and nutritional supplement product line and signed a long term contract to produce these products. This product line requires a quality assurance hold period of 72 to 96 hours after production to ensure there is no contamination. A limited volume history forced this company to establish an initial retail channel strategy based on assumptions. OHL also discovered that they had additional need to ship to multiple channels that needed to be incorporated into their strategy.

APPROACH

OHL located a 217,000 ft² facility to meet this customer's current and future forecasted volumes and integrated OHL's WMS to the existing system. OHL provides transportation management and provides shipment consolidation for this customer. Once the retail hub for this customer was established OHL began a data and scope gathering for their other business units. OHL was able to utilize the data and designed an 800,000 ft² multi-channel DC to support this customer's requirements. The facility was operational in 180 days from design.

VALUE

OHL created a labor and equipment sharing environment that lowered the customer's operating cost. An extensive analysis of shipment patterns was conducted. OHL implemented the Oracle® Transportation Management System for the company and provides TL, LTL and parcel service to this customer. OHL also provides value added services for this company to meet retailers' requirements. OHL expanded TMS services to their other product lines.

RETURN ON INVESTMENT

OHL was able to demonstrate significant cost savings and flexibility. The 217,000 ft² requirement actually increased to 300,000 square feet during initial manufacturing runs. OHL flexed the space up to meet the demand and after 3 months reduced back to the original 217,000 ft². By optimizing and consolidating outbound shipments, OHL has reduced this customer's transportation costs 12.2% from original budget forecasts.