



Case Study – High-Tech / Telecommunications

Synopsis

SBA manages a large-scale time-definite economy distribution program for a leading high-tech communication company.

Project Requirements / Specifications

- High-value product with high damage risk
- Specialized delivery needs
- Centralized (one-source) Customer Service Center
- Multiple distribution center management
- Creation of off-site, non-SBA-facility operation to manage one DC
- Electronic data management (from order entry to billing)

Background

Our client provides high-tech communication systems to a national customer base. Third party retailers throughout the United States, many of which are located in rural areas without docks or warehouses, sell a majority of these systems.

These retailers, which are the lifeblood of selling our client's product, work with very little product inventory and often need to fill multiple orders very quickly in order to service the consumers who are expecting to be connected to the service at scheduled times.

With this system in place, our client must move the products to their retailers quickly, undamaged and at a value, often utilizing inside and lift gate delivery. To fail in this specialized order fulfillment would result in losing consumer subscriptions and potentially losing retailers to the competition.

SBA's Solution

- SBA was enlisted to solve service and pricing issues. After agreeing upon rates and transit times from the three distribution centers, both parties decided to begin a program out of one distribution center as a test market. One SBA terminal would be the point of communication so that any issues would be handled consistently and no errors would be made due to a lack of knowledge about the account. This single point of communication would remain the same even as new service opened at other distribution centers.
- A large component of the project involved EDI setup and testing, and the implementation of a new client order and fulfillment system. After several weeks of testing with SBA's IT team, the system went live and we began receiving orders. The volumes quickly spiked from a few shipments a day to three 53-foot trailer pickups daily. Each trailer is taken to the SBA terminal, sorted and sent out for delivery.
- The second DC operation opened three months later and the third after 6 months. The third operation posed the greatest challenge because the volumes were large and SBA did not have an operation near the client's facility. To combat our lack of company presence in the client's vicinity, we decided to work with a local agent and train several of its employees in our SOP. Those employees would manage the labeling and handling of freight and communicate directly with the central communications office. The manager of our closest SBA terminal was also utilized to help manage the operation and work with the local client's DC on any issues.



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The Results

- After more than a year of work, SBA is handling, on average, 100 shipments a day for the client and 60-65% of the domestic distribution.
- SBA has saved the client 7% over the previous carriers (roughly \$210,000) on the general tariff, and approximately another \$150,000 on accessorial that we were able to significantly reduce.
- Every day for the past year, approximately \$2 million worth of equipment has entered the SBA system and only 3 claims have been processed for a total of \$550.
- Our client enjoys over 99% on-time delivery.