



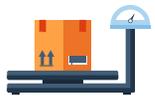
# SMART DISTRIBUTION

## CASE STUDY

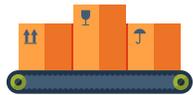
### ► THE CHALLENGE

The client, a California-based provider of networking equipment, produced and distributed heavyweight shipments of technological materials. Its primary site of manufacturing was based in Penang, Malaysia, where they created goods and routed them through a freight forwarding network overseas to their US-based clients. However, the transportation provider's systems were not cost-effective for the client. The provider frequently shipped freight overseas before consolidation, creating these numerous inefficiencies in the client's distribution network:

#### THE DRAWBACKS



**Excessive heavyweight freight costs**



**Poor schedule consistency when shipping inventory**



**Delayed revenue recognition at key reporting periods**

These drawbacks substantially increased the client's distribution costs, as their goods were sensitive to transit disruptions. Without a disciplined system of distribution, the client could not guarantee consistency nor service quality for their orders.

### ► THE SOLUTION

The client contacted Morgan for an assessment of their distribution network. Morgan's team saw that the client's primary complication was the lack of consistency offered by existing Penang transportation services. As the client's inventory was sensitive to transit disruption, Morgan recognized the need for improved discipline at each handover touchpoint.

Morgan leveraged its own facilities in Penang to create an entirely new inventory consolidation and distribution schedule. This schedule established a twice-weekly recovery process and applied origin and destination controls to improve consistency. These controls helped the client streamline its inventory distribution and produced a reliable, consistent flow of inventory that the client could report on its balance sheet at predictable intervals.

### ► THE RESULTS

Through Morgan's system of smart distribution, the client achieved the following improvements to its service level performance, shipping efficiency, and inventory visibility:



**Optimized consolidation of heavyweight goods to minimize air freight costs and reduce the number of transactions overall**



**Consistent service quality across each supplier, from manufacturer to customer**



**Regular inventory movement that supports predictable revenue recognition at key reporting periods and accurate inventory forecasting**

Morgan's unique infrastructure added capabilities to the client's distribution network that did not previously exist, allowing the client to streamline workflows and reduce distribution spend. This new distribution network provided customized solutions at each destination; with Morgan's continual presence monitoring and assessing supply chain operations, the client achieved a new level of efficiency.

### Have Questions?

Learn how Morgan's smart distribution can optimize and streamline your company's distribution network.

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