



At a Glance:

Business Profile

- Manufacturer of fiber cement siding products for residential and commercial markets.
- Offers a wide variety of textured lap siding, including cedar, brick, stone and block.
- Established in Norcross, Ga., in 1998 as a joint venture of the Nichiha Corporation of Japan and the Sumitomo Corporations of Japan and North America.
- Opened \$100 million environmentally conscious concrete fiber cement manufacturing plant in Macon, Ga., in 2007. The 300,000 square foot, state-of-the-art facility demonstrates Nichiha's dedication to reducing its carbon footprint.



Leading With Logistics

Saddle Creek's Service and Solutions Ease Market Entry for Nichiha.

When your product is new to the marketplace, it's critical to deliver it as efficiently and cost-effectively as possible. That was the challenge facing Nichiha USA, Inc., a manufacturer of fiber cement siding products, when the company opened its first U.S. plant in 2007.

Darrin Haugan, senior vice president of sales and marketing at Nichiha, recognized that finding a strong logistics partner is essential to build momentum and meet ambitious business goals.

What were the top criteria in his 3PL search? Fresh ideas on controlling costs, flexibility to accommodate business fluctuations, and strong personal relationships.

The Business Challenge

For more than 30 years, Nichiha Corporation has been an international leader in fiber cement technology based in Japan. Recognizing untapped potential in the U.S. market, the company recently established Nichiha USA Inc.

When Nichiha opened a 300,000-square-foot, state-of-the-art manufacturing facility in Macon, Ga., the company needed a third-party logistics partner to manage inbound and outbound transportation as well as its warehouse. A recommendation from the local Chamber of Commerce led them to Saddle Creek.

Haugan was encouraged by the 3PL's reputation, resources, and expertise, but it was Saddle Creek's corporate culture that assured him he had found the right candidate.

"At Nichiha, we have a DNA structure," Haugan explains. "It's based on performance, servitude, and humility. Every person in this company must manage to those three things." Finding a 3PL that complements that DNA was critical, he says, and Saddle Creek fit the bill. "The methodologies, the flexibility and the people who manage our account fit our culture ... It's a glove fit."

Saddle Creek's understanding of Nichiha's objectives was also important to Haugan. "They helped put together the right plan to fit our needs."

Since Nichiha is new to the U.S. market, building brand awareness is one of the company's critical needs. A consistent image must be presented at every touch point of the business – including logistics operations. The Saddle Creek team considers its efforts to be an extension of Nichiha's image, including everything from product handling in the warehouse to driver conduct at time of delivery.

"Saddle Creek is a channel for us to fulfill our desired brand in the marketplace," Haugan says. "That's an important component of the value they offer."



Saddle Creek manages inbound and outbound transportation as well as warehouse operations for Nichiha's Macon, Ga., plant.

Nichiha Chooses Saddle Creek Solutions

On a daily basis, Haugan sees proof that he made the right choice of 3PL from Saddle Creek's creative solutions, logistics expertise and personal relationships.

Innovative solutions

"One of the greatest values we've had from Saddle Creek," says Haugan, "is their ability to understand how we want to take costs out of our processing and out of our systems. Time after time, they've continued to show us ways that we can save money."

One example, Haugan says, is Saddle Creek's recommendation to curtain trucks instead of tarping them. "They gave us a long-term solution that will save us money. And, instead of just covering my product, I now have this giant billboard of all our products going down the road to help brand us in a better way," he explains. "It's not something that we would have thought of because that's not what we think about, but it's what *they* think about."

The Saddle Creek team also suggested using a silo-mounted blowing system instead of truck-mounted blowers to transfer raw materials from tanker trucks. This allows drivers to park their trailers at the silo and move on to other activities rather than waste valuable time by leaving a fixed asset in place during the blowing process.

Industry Expertise

Saddle Creek's transportation arm, Saddle Creek Transportation Inc., has also been a valuable resource for Nichiha. A dedicated fleet stands ready to meet the manufacturer's needs while Saddle Creek's brokerage services are available for additional requirements.

To increase control of deliveries and reduce costs for Nichiha, Saddle Creek uses trucks in the dedicated fleet to transport inbound raw materials and shuttle between suppliers.

"Saddle Creek's experience is obviously a major component of their appeal—their vast resources, their ability to source many different things, their advanced knowledge of transportation, and their ability to source trucking lanes, carriers, etc.," Haugan

explains. "They have a whole department that helps in those arenas. That's another benefit that we get from Saddle Creek."

Today, Nichiha's sales are exploding, and Saddle Creek is ready with the necessary carriers. "Saddle Creek knows how to source what we need in a very effective manner. It has been a very beneficial relationship since the day we got started," Haugan says.

Personal Relationship

While solutions and flexibility are essential to Haugan, he says his top priority is something more intangible. "There is a relationship that is based on communication, mutual interest, and common goals," he explains. "There are always the numbers you look at—the cost per load, the dollars per shipment. The numbers are important and they always line up, but it's the relationship with Saddle Creek that is the most shining component of what they offer us."

"We've experienced a positive relationship that one would actively seek out—from their president, Cliff Otto, to everyone on the management staff," Haugan says. "We've been encouraged by their approach to managing the business and communicating with us. It's fundamental, but not everybody does it."

The Next Step for Nichiha

Still relatively new to the U.S. market, Nichiha is, nevertheless, experiencing remarkable success. It is too early for Haugan to anticipate next steps in the company's logistics operations, but he is confident that Nichiha will look to Saddle Creek for their assistance.

As we grow, we'll look for Saddle Creek to increase the services they provide us," Haugan says. "For Nichiha, the more closely we work with Saddle Creek, the more we come to understand their value to us. It truly is the beginning of what we hope will be a long-term relationship."


*Integrated Logistics Solutions, One Provider — **Nationwide***

Based in Lakeland, Fla., Saddle Creek Corporation is a privately held third-party logistics services company that provides a full array of warehousing, transportation, packaging, and integrated logistics services nationwide.

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