



Finding the Right Packaging Partner

Selecting a contract packaging partner is a critical decision. To ensure that you choose a quality operation, consider evaluating your prospective partner's ability to demonstrate these four value characteristics:

- *Flexibility* – able to change staffing and adjust processes easily to handle excess capacity needs of your clientele
- *Agility* – able to respond quickly to changing needs
- *Aptitude* – demonstrates that they understand the process and have the right knowledge and equipment to handle the job
- *Ingenuity* – able to explain how and why they are good at what they do and share examples of innovative solutions they've developed for other customers

"Don't be afraid to ask 'How?' and 'What if?,'" says Rob Pericht, senior vice president of warehouse operations at Saddle Creek. "Asking the right questions when choosing a packaging partner can help to lay the foundation for a productive and long-lasting relationship."

Integrated Capabilities Add Value

Saddle Creek's packaging and technology services help manufacturer address inventory challenge

When it comes to finding creative solutions to tough logistics issues, Saddle Creek has considerable experience. The 3PL prides itself on helping customers find ways to increase efficiencies, streamline their supply chains and manage operational costs. Case in point: Saddle Creek's relationship with a leading data-storage manufacturer.

"This is a customer whose business is month-end driven with heavy volumes of a large number of SKUs requiring components from all over the world," says Mickey Hutchins, vice president, Saddle Creek Charlotte, N.C. "Saddle Creek has helped this customer to address associated challenges such as managing multiple suppliers and controlling inventory, while upholding our strong track record for accuracy and timeliness."

The Business Challenge

Saddle Creek has been handling logistics operations for the data-storage manufacturer for more than seven years and is the company's exclusive 3PL in the U.S. From its Charlotte, N.C. campus, Saddle Creek manages receiving, warehousing and distribution for the manufacturer's extensive product line as well as order processing and seasonal pallet display assembly and fulfillment.

Recently, the manufacturer approached Saddle Creek with an inventory control challenge. They were importing formatted, fully packaged hard drives via ocean freight from China. This led to not only high transportation cost, but also hard drives that often became obsolete before they could be sold through because of the lengthy shipping cycle.

To address this issue, Saddle Creek agreed to format, test, and package external hard drives. "Although we weren't doing this for any other customers at the time, the manufacturer was confident that we could handle this specialized process given our performance in other areas," explains Saddle Creek's Hutchins.

First, the process had to be designed and systems put in place to support it. Saddle Creek then had to staff appropriately at its Charlotte, N.C. campus. "This is one of the key benefits of a third-party campus environment," says Hutchins. "We have the flexibility in both space and manpower to make a program like this work, without a lot of added fixed cost for the customer."

The manufacturer now imports bulk quantities of unformatted hard drives and plastic cases, and Saddle Creek formats them with the newest standard based on on-hand orders. The manufacturer is no longer faced with an inventory of obsolete formatted hard drives, and transportation costs are reduced because the bulk inbound shipments take up less room on the container.

"They have been extremely satisfied and appreciative of our ability to diversify and provide this solution which has streamlined their supply chain and helped to control costs," Hutchins says.



Saddle Creek Delivers Solutions

In a recent customer satisfaction survey, a regular part of Saddle Creek's customer care process, the manufacturer had high ratings for Saddle Creek. Three areas especially stood out: the 3PL's IT capabilities, quality of operational service and the ease of doing business with Saddle Creek.

IT capabilities

Saddle Creek's information system was one of the key areas that the manufacturer looked at in the original 3PL selection process – not a surprising priority for a leader in digital storage technology.

"Our IT capabilities definitely continue to be a selling point for them," Hutchins says. "With the high SKU volume, it is critical that our networks be well integrated."

Not only does Saddle Creek's warehouse management system (WMS) integrate well with the manufacturer's SAP system, it also works with the small packaging manifest system, allowing for direct interface with FedEx and sending shipment data the moment an order is weighed and a label applied. The manufacturer can see precisely how many orders have been processed in real time and be assured shipments will depart on schedule. This is especially important for the high volumes at month-end. The manufacturer can also review transportation spending and perform audits at the end of each month.

Excellent execution

In a fast-changing industry like data storage, cost is always a consideration, but the timeliness and accuracy of the shipment are critical. This can be a challenge as product components often arrive late, leaving limited time to assemble, distribute, and ship the end product to meet delivery deadlines.

In spite of these constraints, "there has never been an instance when we did not meet the required delivery schedule," Hutchins reports proudly. "There has not been a service or quality issue since we started the formatting and assembly."

Saddle Creek associates are cross trained so that they can meet demands on short notice without extensive direction or additional costs.

"We're committed to doing 'whatever it takes' to get the job done. That's our company promise," Hutchins says.

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Mickey Hutchins, Vice President,
Saddle Creek Charlotte, N.C.

Ease of doing business

Working with Saddle Creek allows the manufacturer to focus on its core competency.

"They want to be in the marketing and sales business," Hutchins explains. "They don't want to spend a lot of hours or resources overseeing logistics or addressing service issues. With Saddle Creek, they don't have to."

In addition to providing excellent service on a day-to-day basis, the Saddle Creek team continually looks for opportunities to improve operations. For example, the 3PL implemented an upgraded picking process which resulted in improved productivity and a corresponding reduction in rates. Saddle Creek also works hard to maximize bundling efforts to control freight costs.

Moving Forward

Hutchins expects that Saddle Creek's relationship with the manufacturer will continue expanding in the future. "Given our success with existing operations, they won't hesitate to ask our assistance with other challenges down the road," he says. "We'll continue to stay ahead of the technology curve, provide good counsel on ways to improve operations and remain as flexible as possible to address changes as they occur."



Integrated Logistics Solutions, One Provider — Nationwide

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

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