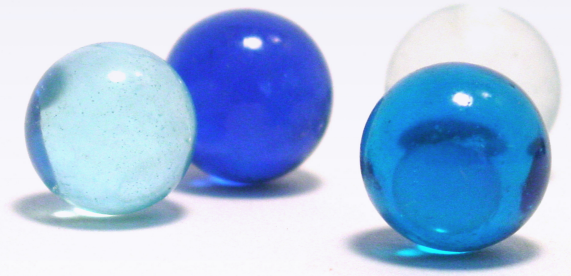




Global Service Depots



Key Results

- Reduction of global supply warehouse locations by 50%
- Inventory deployed in the field cut by half
- Real-time visibility to global inventory
- Remote, online fulfillment capability
- Real-time cost-of-goods analysis
- 10% savings in shipping costs

Case Study: A fast-growing telecommunications networking company needed to enhance its global network of warehouses for repair and spare parts. Morgan used technology and logistics expertise to deliver real-time visibility and fulfillment world-wide.

Redback Networks (NASDAQ: RBAK) makes networking equipment that forms the backbone of many video, voice and data networks. When that equipment needs field replacement, there's not a moment to lose. Service-level agreements with Redback customers call for repairing equipment in as little as four hours anywhere in the world.

The Challenge

Despite tight timelines for service, Redback had very little information about the field replacement inventory it had deployed in warehouses worldwide. Physical inventories were audited only once per quarter, leaving staff to rely on phone calls and faxes to locate parts for a given service call.

The lack of information—and a corresponding lack of confidence in reported supply levels—led Redback to maintain high inventory levels in a redundant network of more than fifty warehouses worldwide.

Morgan's Solution

Morgan realized that inventory levels could be dramatically reduced and warehouse locations could be consolidated if Redback had better information systems to monitor its service goods.

The Morgan team took on Redback's challenge at every level, devising solutions for transportation, logistics, warehousing and program management. Most important, Morgan used its award-winning technology to create an online command center for Redback's global service needs.

Today, Redback staff can view up-to-the-minute data on parts in any warehouse worldwide—from part number and quantity on hand to software revision levels and refurbishment history. The same interface allows staff to ship parts to customers with the click of a mouse.

Included in the application is sophisticated business logic, which automatically maintains



Global **Service Depots**

pre-established inventory levels for each part. And, senior management can analyze activity, track returned goods, calculate the value of goods in the field and more, right from their secure web browser.

Morgan manages the program at all levels, from warehousing to transportation and strategy. That adds up to significant savings for Redback. Since the program was established in 2003, Morgan has been able to cut the number of global warehouse locations in half and reduce

needed inventory levels by the same amount—all while actually improving service to the end customer. Other benefits of the system include:

- Elimination of the errors and delays associated with manual processes
- Enhanced opportunities for Redback to sell more stringent service level agreements to customers.
- Positive, real-time identification of service parts on-hand at any / all locations.
- Reduction of distribution and shipping costs by approximately 10 percent.
- Improved delivery cycles to Redback customers worldwide

- Automated management of inventory levels and tracking of returned goods.
- Simplified service depot management, with a single partner responsible for all functions from warehousing, to logistics, transportation management and IT infrastructure.

About **D.W. Morgan Company**

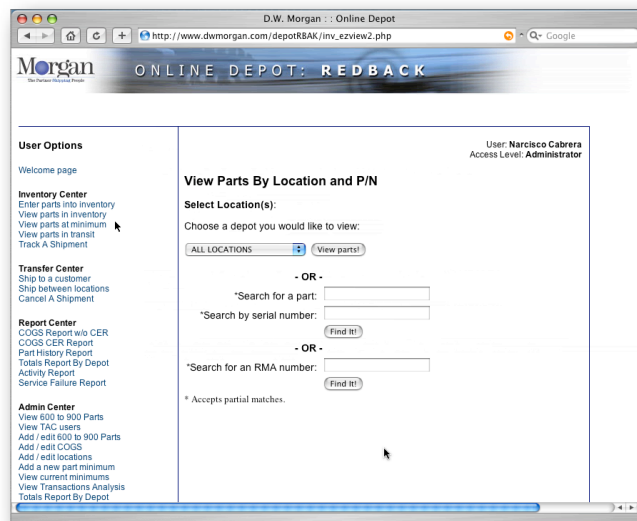
Morgan pioneered “whole-process management” for its Fortune 1000 clients, overseeing every link in their supply chain—from procure-

ment of raw goods to distribution, and coordination of service and end-of-life requirements.

As a result of its innovation, Morgan is able to improve efficiency dramatically and reduce costs for its clients.

Morgan has won wide-spread acclaim, including two Cisco Systems “Supplier of the Year”

awards, a Computerworld / Smithsonian laureate award and inclusion in *Supply And Demand Chain Executive* magazine’s “Top 100 Supply Chains.” Morgan is certified by the U.S. Small Business Administration as a small, historically disadvantaged business (SDB) and a minority / women-owned enterprise (MWBE).



Main screen from Morgan's award-winning inventory management and remote fulfillment application for Redback Networks.