

reverse logistics



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 worldwide.



The former Redback Networks division of Ericsson 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 the client's customers call for repairing equipment in as little as four hours anywhere in the world.

THE CHALLENGE

Despite tight timelines for service, the client 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/Ericsson 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/Ericsson had better information systems to monitor its service goods.

The Morgan team took on the 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 the client's global service needs.

Today, the client's 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 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.

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.

Morgan manages the program at all levels, from warehousing to transportation and strategy, That adds up to significant savings for the client. 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 errors and delays associated with manual processes.
- Enhanced opportunities for the client 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 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

D.W. Morgan Company helps the world's top manufacturers provide Supply On Demand® for their clients. By combining transportation and logistics services with a flow of coordinated, real-time information and strategic consulting, Morgan dramatically improves efficiency and reduces costs—while maximizing flexibility. Assets in key manufacturing locations worldwide enable the company to coordinate the critical 'last mile' of the supply chain and coordinate the most critical moves to and from these endpoints. Morgan is certified as a Corporate Plus™ minority-owned business by the National Minority Supplier Development Council. The company's headquarters is located in Pleasanton, Calif. With operations offices worldwide, Morgan provides services to more than 85 countries.