

How Morgan Optimized Local Factory and Distribution Trucking in Malaysia

THE CHALLENGE

The client was transporting ground freight to and from a factory on the Malaysian mainland and two more factories on Penang Island. Trucks managed by multiple suppliers drove parts and assemblies from a vendor-managed inventory (VMI) supply hub on the peninsula to all three factories, and then finished goods from the factories were trucked to the distribution center on the island. Finally, those goods were taken to the island's airport for the final legs of their journeys.

To accomplish this, the client optimized pricing on every individual lane, eventually awarding bids that produced 51 one-way trips daily with multiple carriers. Without coordination across lanes or for backhauls, the network's trucks drove more than 700 kilometers with empty trucks! Besides the costs and process inefficiencies, this system failed to optimize sustainability.

THE SOLUTION

Using their data-driven, custom-tailoring approach to supply chain optimization, Morgan transformed the separate, existing lanes into a network of 5 consolidated multi-stop routes that took maximum advantage of existing backhaul opportunities.

The change required more visibility and coordination than the old system demanded, but the results speak for themselves.

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THE RESULTS

Morgan's efforts cut the client's overall trips by more than a quarter, and the ensuing reduction in empty truck space amounted to more than one third fewer empty kilometers.

Morgan's custom-tailored network resulted in:



More reliability

- Fewer carriers transporting goods
- More control and visibility of goods



Significant cost savings

- Backhaul opportunities
- Fewer lanes, trips, and carriers



Optimized efficiency

- Near elimination of partial truckload haul



Greater sustainability

- Overall reduction in trips by one quarter
- One third fewer empty kilometers

By assessing the end-to-end process that the client had developed over a period of time with multiple carriers, Morgan was able to craft a more effective network using a custom-tailored approach. With Morgan's help, the client made serious gains in the areas of efficiency, reliability, and sustainability, and the transportation between supply hubs, factories and distribution centers grew tighter.

READY TO UPGRADE CARRIER PERFORMANCE?

Let us evaluate your supply chain to discover areas of improvement for building networks and capacity around your biggest needs by reaching out today!



Contact Us

