

Case Study Fourth-Party Logistics (4PL)

Business Challenge

A major, global power systems manufacturer needed to optimize their systems for incoming B and C-class hardware.

OTIF (on time delivery in full) was below 80%, they were managing 50+ suppliers worldwide, and they had on average 1,000 parts per million (PPM).

Looking to drive down costs, increase efficiency, improve incoming delivery and quality performance, and put a greater focus on core activities, the manufacturer chose to partner with Incora.

Incora worked alongside the customer to develop a customized fourth party logistics program for the manufacturer’s facilities, combining both expertise and forecasting systems to achieve the optimum results.

Incora™ Solution

Incora developed a comprehensive 4PL program that targeted all levels of inventory management for incoming B and C-class hardware.

Using just-in-time delivery methods, customized kits, advanced forecasting software (akravis™), and more, Incora took over management of the customer’s:

- Inventory forecasting (akravis™)
- Orderbook management
- Supplier engagement and escalation
- Inbound deliveries
- Goods receipt and inspection
- Inventory holding and management
- Quality and containment activity
- Customer demand management
- Delivery solution implementation
- Audit and dispatch
- On-site stock replenishment

Results

Incora manages over 1,700 incoming deliveries each week for the customer while driving substantial cost savings and efficiencies.

	Before	With Incora
On-time delivery in full	79%	99+%
Parts spend	\$26+ million	\$25+ million
Suppliers to manage	58	1
Employees managing suppliers	6	0
Inventory months	4	0
Working capital	\$23+ million	Negative
Parts per million (quality)	1,000+	17

Due to the success of the 4PL program, Incora has expanded to manage 28 global sites for the customer.