

# ONE-STOP OPTIMIZED SOLUTION FROM SOURCING TO LOGISTICS

**W**hen one of LF Sourcing's platinum customers was looking to improve their supply chain efficiency, the LF Sourcing team sprung into action. Their customer, came from suffering bottlenecks within their supply chain, rising costs for new domestic warehouses and increasing freight and ground transport costs. This slowed the customer's initiative to grow direct imports and improve profit margins.

As a solution, the head of LF Sourcing personally led the customers' Chief Operating Officer and his senior management to meet the LF Logistics team and see what they could offer.

The customer was quickly impressed by the vision and capabilities of LF Logistics, and was willing to invest the next 4 months in a supply chain re-design project carried out by LF Logistics. The project examined multiple models and out-of-the-box scenarios, and deployed rigorous analytics methodologies to optimize the customer's total supply chain costs from its factory all the way to its retail store in the United States. Through rounds of testing validation and fine-tuning, the customer

subsequently chose a new model, which could yield 20% savings of the direct logistics costs with a slight improvement of weighted average lead-time.

The customer's Chief Operating Officer wrote a letter to LF Logistics and said he never imagined an external logistics provider could achieve such

a deep understanding of their internal operations - and produce such a quantum leap in logistics savings. He was also delighted at the opportunity for one single party to manage the whole supply chain performance from sourcing to logistics - avoiding potential finger-pointing among various business partners.



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## The new model included:

- Advanced inventory allocation for pick-and-pack at three origin hubs in Asia for direct U.S. store delivery
  - Dynamic optimization of shipments between factory, hub and store
  - Re-organize warehouse location and transportation pool-points in the U.S.
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