



Dedication at every turn.

CASE STUDY

A Penske Logistics Customer in the Pharmaceutical Industry

This current customer is one of the world's leading developers and manufacturers of pharmaceutical products.

Its products cover a broad range of areas, including heart and respiratory health, infectious diseases and women's health. Research is focused on conditions that affect millions of people around the world - diseases like Alzheimer's, diabetes, cholesterol and cancer - while building strengths in new areas like biologics.

In Europe, the logistics footprint includes plants and packaging operations in six countries. As its Transportation Management Provider, Penske provides its customer with a single point of contact for all ground transportation in Europe for groupage, LTL and FTL. This key element has allowed Penske to continuously improve quality and realize cost reductions.

Challenges

- Supply chain visibility and a more streamlined process
- Develop, implement and operate a centralized logistics network, including cold chain

Solutions

- Penske provides a Freight Management solution that includes transport planning and optimization of their supply chain
- Cost reductions through logistics network re-design

Scope of Services

Penske Europe provides a Regional Transportation Management solution that includes transport planning and optimization of their supply chain and manages all interplant palletized shipments on a daily base. Penske took over management and provides visibility on shipment movements and costs.

On a quarterly basis, the Penske engineering department delivers customized standard reports, which provides both Penske and the customer insight into supply chain trends and developments as well as ideas about possible improvements. In addition, on an ad hoc basis, we manage improvement

and/or cost reduction projects, initiated by Penske, in close collaboration with the customer.

In the 10-year relationship, Penske has implemented various continuous improvement projects and savings projects like:

- Hub consolidation by using maximum agreed upon lead-times
- Use of double deck and stand-trailers for improved utilization
- Roundtrip shuttle operation for dedicated contract carriage trucks and drivers

Penske also manages this customers' cold chain business. Along with its customer, Penske audits and selects the best suitable carriers for cold chain. Since December 2008, Penske has successfully managed the cold chain and vaccine shipments.

Relationship History

Beginning in 2000 with the transportation management of European interplant flows, the partnership has expanded in scope to include transportation management for other regions as well. The relationship in Europe led to selecting Penske Logistics to provide transportation management services in North America and Puerto Rico.

Penske was awarded the Supplier of the Year award in 2006 in recognition of the companies' success and business performance.

"Since the beginning, Penske Logistics has provided outstanding Transportation Management Services in support of our operations in Europe. This value-added service offers a single point of contact for operational and strategic management of trucking to and from our plants and facilities through-out the region. Penske has developed a collaborative partnership with the European sites and Global Logistics to continuously drive process efficiencies into the supply chain..."

(Vice President Global Procurement)



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Managing Through a Merger

Recently, this customer finalized a merger to create a stronger, more diverse and truly global company. Historically, both companies have a lot in common. Both are strong, science-based companies. Both have a common mission – and passion – to improve health and well-being around the world. Both share a long-standing commitment to putting customers first and being there for people in times of need. Penske is supporting this merger from a supply chain point of view, by looking at opportunities that integrate two different supply chains.

Achievements

During the beginning of the relationship, Penske implemented over 40 projects, optimizing the customer's supply chain and generating significant savings.

Penske Europe achieved significant cost reductions with:

- A three year engagement to develop customized network solutions, equating to 20 percent continuous cost savings and full transparency
- Continuous transportation savings of 1.6 million euro

Penske is valued to be one of the four preferred suppliers to this customer and seen as a stable committed partner who is innovative and involved.