



Dedication at every turn.

CASE STUDY

Penske Logistics: Driving Automotive Supply Chain Excellence

Improving automotive logistics performance while reducing costs

Scenario

Founded in 1903 in the United States, this company is one of the largest and most important global automotive companies and manufactures both cars and trucks.

In Brazil, the company's assembly, transportation and distribution network is one of the country's most complex. It runs two industrial poles (South-East and North-East regions of Brazil) and a network of more than 500 dealers nationwide.

The company's cooperation with Penske Logistics in Brazil began in the 1990s, when it outsourced the distribution of parts and accessories to dealers.

In 2010, to streamline processes, gain agility and reduce costs, Penske Logistics was chosen by the company as its exclusive partner to manage the distribution centers and material transportation. Its operating efficiency has been maintained ever since, even after a significant increase on the car sales market.

Customer's Challenges

- Expand the distribution of parts throughout Brazil from one to two strategic locations
- Reduce logistics costs
- Decrease delivery time of parts and accessories to over 500 dealers
- Create innovate storage operations of distribution centers and make them more flexible
- Meet delivery targets and deadlines to dealers

Penske Logistics Solutions - Automotive

- Improve checking procedures to reduce delivery time to dealers

- Coordinate a reverse logistics system for defective products
- Create packaging to reduce costs and improve the protection of materials
- Develop a system that locates products quickly using smartphone technology
- Streamline road-time delivery, reducing air transportation costs
- Distribution of products at night
- Provide personnel to checks cargos safely

Results Delivered

The automaker's collaboration with Penske Logistics has yielded impressive results including lower costs, increased service quality and the achievement of dealer delivery goals and punctuality throughout Brazil.

Currently, the company's warehouses ship on average 6,000 product lines per day, reaching 14,000 in peak times. Material distribution at night ensures delivery to distributors within 24 hours. Streamlining of processes and development of productivity in the Distribution Center reduced actual logistics costs by 20%. In addition, the Service Level Agreement (SLA), which quantifies and evaluates the levels of correctly performed activities by Penske Logistics is 98 percent.

Reverse logistics management has also been successful. For situations in which defective parts under warranty return to the distribution center, Penske Logistics developed a tracking system that reduces company plant service time from days to hours. Thus, in addition to reducing recall costs, maintenance or replacement of defective products is performed faster.

For more information on Penske Logistics solutions, visit penskelogistics.com/solutions