



CASE STUDY

Knoll Inc., Asia

Maximizing low cost supplier opportunities

Knoll Incorporated is a global leader in office furnishings, design and manufacturing. Increasing cost pressures caused the company to source lower cost components in Asia. Although improved pricing was achieved, delivery reliability was extremely poor, and transportation costs were eroding potential savings. The company required a cost-effective international transportation management process with increased visibility. Penske's solution to develop a single-provider process with responsibility for vendor management, transportation, order management, warehousing and container consolidation resulted in ocean/air freight savings and increased order visibility, yielding nearly a 50 percent reduction of air freight requirements.

Challenges

- To reduce international/air/ocean transportation costs
- To increase overall visibility throughout Knoll's supply chain
- To establish international supplier conformance standards

Solutions

- Enhanced shipment visibility enabled Knoll to reduce airfreight requirements by approximately 50 percent
- Penske works with DSV and Knoll to identify consolidation opportunities while ensuring delivery dates are met
- Penske monitors all Asian shipments and ensures status visibility, supplier conformance and route optimization

Reduced International Transportation Costs, Increased Order Visibility and Improved Customer Service

Penske's China-based team manages Knoll's orders from inception to actual pick-up at the supplier's dock. This detailed product availability and visibility reduces Knoll's transportation costs by routing its shipments using the most economical mode, while Penske continues to explore consolidation opportunities on each shipment.

Penske's intimate understanding of the component product and manufacturing process allows for proper routing of materials to either the manufacturing facility in the United States or to a de-consolidation point for line-hauling the needed product to the proper facility. Once the product is delivered, Penske continues to provide value to Knoll by providing a single, itemized weekly invoice for all international shipments and detailed performance reporting on all activity managed.

Penske's successful international transportation management solution continues to provide value for Knoll. Improved route optimization efforts reduce air/ocean transportation costs, as well as cycle times.

Currently, Knoll's planning and buying teams receive multiple updates weekly of all open international shipments. The added visibility and control over Asian shipments encourages Knoll to increase its Asian supplier base. As Knoll's supply chain continues to grow and expand to other regions of the globe, Penske's solution will adapt to the new challenges while minimizing costs and inefficiencies.

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