



Dedication at every turn.

## CASE STUDY

# A Penske Logistics Customer in the Chemical Industry

This current customer is a leading company in life science and nutritional products; performance materials; and industrial chemicals and this company creates solutions that nourish, protect and improve performance. Its end markets include human and animal nutrition and health; personal care; pharmaceuticals; automotive; coatings and paint; electrical and electronics; life protection; and housing.

This company is an internationally operating company with more than 200 sites and offices in 49 countries throughout the world. They are headquartered in the Netherlands and listed on EuroNext Amsterdam. This company employs 22,700 people worldwide.

They have a decentralized organizational structure built around Business Units (BU) that is empowered to carry out all business functions. The activities of this customer are grouped into five clusters. These clusters consist of several BU. Penske Logistics provides freight management services to four of these units in six different countries in Europe.

### In The Beginning

The relationship started when Penske was awarded the Regional Transportation Management contract for two of their BU in 2004. With implementation in early 2005, the result was a significant save in consolidation. Within a year, the relationship extended by another BU in January 2006 and with two others a few months later.

When Penske started the partnership, the customer faced several issues. They required a provider to spread out their flow via road packed chemical goods throughout Europe. A Lead Logistics Provider (LLP) was essential to manage the supply chain for their European plants and provide more visibility. Penske offered a unique combination of services to optimize the multiple supply chains that all have different characteristics and approaches.

### Challenges

- To develop, implement and operate a centralized logistics network
- To provide streamlined processes and visibility throughout their supply chain

### Solutions

- Penske provides innovative logistics solutions to manage the transport planning for continuous optimization on procedures, modality and loads
- Penske provides Freight Management Services (road, air and ocean) to various BU for the transportation of packed and palletized goods from multiple production sites across Europe

### Scope of Services

Penske took over carrier management and succeeded in maintaining the high standards of quality and service. Penske also provided visibility to their full supply chain, and reduced transportation costs by routing the most economical mode.

The Penske engineering team created detailed performance reports on carriers, which improved visibility and implemented a single point of contact, allowing communication to flow more efficiently with the customer. Penske achieved the lowest ever complaint ratio for one of the BU.

Penske continues to deliver significant cost savings by continuous improvements on procedures, modality and loads while maintaining the customer's high quality standards.

With eight plants supported, Penske provides additional services to its customer such as:

- Managing warehouse operations, including value added services as re-palletization and stickering in Roosendaal
- Operating an overflow warehouse in Roosendaal for two of their BU
- Preferred carrier status at customer's corporate sourcing
- Transportation management of customer's ocean flows

### Achievements

After some turbulent years, the relationship is now stabilized. By carrying through on the promise of operational excellence and managing their flows, Penske Logistics and this customer have agreed to extend the partnership for the next three years.