

OIL AND GAS



OPPORTUNITY

A global supplier of engine lubricants decided to relocate its line production from South America to a 3PL-managed site in Texas to optimize its supply chain.

SOLUTION

Our solutions design team engineered the facility, labor and materials handling to meet the client's demand forecasts and regulatory requirements. We then took a structured project management approach to implementation, and successfully completed all start-up activities on schedule.

The supplier distributes its products both domestically and internationally. This requires that we prepare shipments for export, as well as ship to big-box retailers and auto parts stores in the U.S. An XPO corporate security coordinator worked with our operations team to ensure that the facility complies with Customs-Trade Partnership against Terrorism (C-TPAT) standards. The client's onsite representative serves as the point of contact for XPO's operations manager, who provides weekly reports regarding volumes and line production.

RESULTS

XPO now manages three U.S.-based sites and thousands of SKUs for this client, from 12-lb. boxes to 55-gallon drums and 275-gallon totes. We have continuously met or exceeded the client's key performance indicators, while reducing throughput cost per gallon by nearly 45%.

XPO collaborates with this client to continuously improve supply chain efficiency. We've been successful in identifying opportunities by conducting order analyses for mixed pallets and by optimizing staging for bulk storage. Most recently, our review of blocking and bracing procedures reduced the supplies needed for each load and we passed that savings on to our client.