

CASE STUDY / COST SAVINGS AND LEAD TIME REDUCTION



SITUATION

One international company previously utilized an internal carpentry shop to fulfill its wood packaging requirements. Due to insufficient equipment and a lack of production efficiency, this company faced excessive labor, waste and significant cost overages. Lead times for packaging orders averaged 72 hours.

ACTION

In an effort to raise quality, lower overall costs for their packaging operation and reduce lead times on their orders, this company outsourced its entire wood packaging operation to FCA. FCA brought the packaging in-house to an FCA facility and took over the complete sourcing and manufacture of the packaging function.

RESULTS

As a result of outsourcing its packaging function to FCA, this company was able to focus on its core manufacturing competencies while simultaneously reducing overall costs, increasing product quality, and improving lead time for their packaging products. Because of their expertise and knowledge in the supply chain and the packaging material base, FCA was also able to appropriately source raw materials to minimize waste.

- FCA REDUCED CUSTOMER LEAD TIME ON ORDERS FROM 72 HOURS TO 16 HOURS, WITH A 4 HOUR LEAD TIME FOR URGENT ORDERS
- FCA REDUCED HEADCOUNT REQUIREMENT BY 42%
- FCA SAVED CUSTOMER AN ESTIMATED 30% ANNUALLY ON ITS PACKAGING COSTS
- FCA INSTITUTED A CONTINUOUS IMPROVEMENT PROGRAM TO FURTHER DRIVE COSTS OUT OF THE PROCESS

AT A GLANCE

FCA's highly effective packaging operations saved this customer 30% annually.

FCA VALUE

We provide our customers with a comprehensive packaging solution that includes custom design, manufacturing, and management of specialized packaging products, with an intense focus on total value, just-in-time delivery, and customer service.

INFORMATION

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