



CASE STUDY

REDUCED FOOTPRINT LEADS TO LOWER COSTS WITH INVENTORY MANAGEMENT SERVICES FOR U.K. RAIL CONTRACTOR

Managing Investments for Short Deployments

Investing in long-term resources for short-term projects isn't always economically practical. On top of real estate costs, there are costs associated with time spent evaluating and preparing the property as well as the carrying costs of holding the material. For quick turnaround projects, these costs can easily eat into margin and reduce overall profitability.

Holding Costs on Rail Infrastructure Upgrade

When a U.K. rail contractor was tasked with replacing the existing telecommunications infrastructure alongside rail tracks in the South of England, it had only three months to complete the project. This included replacing the copper and fiber cable, hardware and cabinets, which for technical reasons the contractor had to work directly with and source from the manufacturer. This meant procuring, checking in and storing the cabinets at a local facility until they were ready to use. The contractor was then faced with the prospect of buying a warehouse or leasing local space, which would be costly and difficult for a three-month project.

Leveraging Relationships to Offset Costs

As a long-term partner, Anixter was contracted to supply the cable for the project. After several conversations about the project, Anixter and the contractor agreed to hold the cabinets in Anixter's local facility and ship along with cable deliveries. The cabinets were coming from mainland Europe, so Anixter worked with the manufacturer to create a logistics plan that included checking in and storing the materials like it was Anixter's own at a small handling charge to the contractor.

Providing Product Visibility

Anixter was able to place the customer-owned cabinets into its inventory and make it available through its online ordering system, which allowed the customer to have real-time visibility of Anixter's copper and fiber cable as well as its own cabinets through Anixter's system. This allowed them to place an order for cable and then also for a cabinet. Both were then delivered to the job site.

SUMMARY

Customer

UK Rail Contractor

Challenge

Storage space for short-term deployment

Solution

Hold customer-owned inventory, alongside inventory owned by Anixter on a customer call off order, at local Anixter facility

Results

- Reduced costs for receiving, checking, storing, picking, packing and shipping when considered as a percentage of the overall equipment cost
- Minimized freight costs as customer-owned cabinets were shipped with Anixter material
- Saved overall warehouse, logistics and real estate costs

Anixter was able to place the customer-owned cabinets into its inventory, which meant the company had visibility to their cabinets as well as Anixter's supply of copper and fiber cable.

Inventory Management

Managing lead times and returns along with replacement, obsolete, excess and scrap inventory can be time consuming and have an adverse effect on your schedule and budget. By leveraging our facilities, managing your inventory levels and anticipating your lead times, we can help reduce your inventory risks and costs.

Anixter Does the Work For You

- Forward provisioning of inventory in region
- Inventory management and visibility
- Standard operating procedures
- Warehouse network
- Inventory provisioning
- Reduction of scrap and overruns

Reducing Footprint, Lowering Costs

By holding the customer-owned inventory at its local facility, Anixter was able to offset any long- and short-term costs associated with buying or leasing warehouse space. This also eliminated the need for the customer to have its engineers evaluate and prepare a facility to hold the cabinets. Anixter also helped to lower costs in several areas:

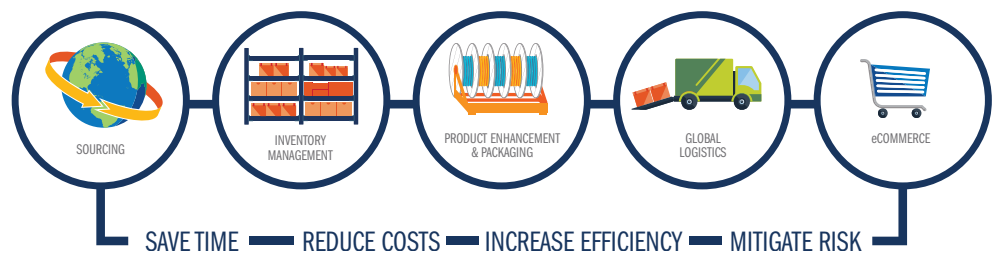
- Eliminated costs for receiving, checking, storing, picking, packing and shipping when considered as a percentage of the overall equipment cost
- Minimized freight costs as cabinets were shipped with Anixter material
- Lowered environmental impact through the minimizing of site deliveries
- Allowed full contact between the customer and equipment manufacturer
- Provided full visibility into Anixter- and customer-owned material via eAnixter
- Saved overall warehouse, logistics and real estate cost

Managing Inventory, Just in Time

Anixter has proven solutions to meet your supply chain needs. We enable the efficient flow of products by actively designing programs that work for you, such as the following services:

- Manual consignment inventory programs
- Electronic consignment programs
- Vended consignment programs
- Spot buying
- Cable management programs

To learn more about Anixter's inventory management services, visit anixter.com/services.



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