

SUPPLY CHAIN SOLUTIONS CASE STUDY

WESCO | Anixter helps FTTH Operator Respond to Rapid Growth



CHALLENGES

Rapid growth is a nice problem for any business, but when one of the largest fiber-to-the-home (FTTH) operators in Mexico started to experience significant problems with keeping up with that growth, they needed help.

They turned to a third-party logistics (3PL) warehouse management team to handle elements of their inventory management, warehousing and fulfillment. However, the 3PL could not keep up with the project volume and they were experiencing a multitude of challenges in their supply chain, including theft, late shipments, lack of material tracking, and inability to respond to emergencies.

WESCO | Anixter had an existing relationship with the operator as a products-only supplier and learned of these challenges during a routine business conversation. This spurred discussions about how WESCO | Anixter could help them streamline their planning, sourcing, inventory management and logistics.

SOLUTIONS

Working with the customer's purchasing and logistics teams, the WESCO | Anixter team reviewed their current processes and put together a plan to achieve both near- and long-term goals. The ultimate goal was to optimize efficiency throughout their entire supply chain by implementing lean business practices from cost reduction to improved quality and efficiencies in delivery.

As is common for small operators or new entrants into this industry, the customer was challenged by large CAPEX investments to generate better coverage. Our approach was built around CAPEX removal and OPEX deferral. Since service providers and mobile operators in this region would rather negotiate directly with manufacturers than buy through distribution, WESCO | Anixter's innovative fifth-party logistics (5PL) approach would help build and strengthen relationships with the manufacturers so that both they and the operator would understand our complete value in the supply chain.

Using a 5PL model, we used our global experience, local expertise and innovative solutions to provide significant supply chain functionality to the operator, including:

- Inventory management
- Centralized purchasing
- Customer ERP system integration
- Electronic order processing
- Visibility to materials and movement
- Flexible supply chain with ability to scale up and down with customer requirements
- Establishing warehousing infrastructure
- Savings in transportation costs
- Logistics coordination
- Balanced inventory across the entire distribution footprint
- Leveraged WESCO | Anixter's footprint to better service the customer's locations

SUMMARY

Customer

One of the largest FTTH operators in Mexico

Challenges

Rapid growth led to an opportunity to reexamine supply chain operations

Solutions

Supply chain, inventory management and logistics solutions

Results

Greatly improved inventory and shipping efficiencies while reducing overall supply chain costs

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RESULTS

With the customer's rapid growth and sheer order volume, efficient shipping had become a bottleneck. Within a year of WESCO | Anixter's involvement, their shipping efficiency increased from 77% to 100% for orders shipped within 48 hours. Urgent orders were also greatly reduced, going from orders being processed outside of business hours (nights and weekends) to 100% of orders processed during business hours, even as order volume continued to increase.

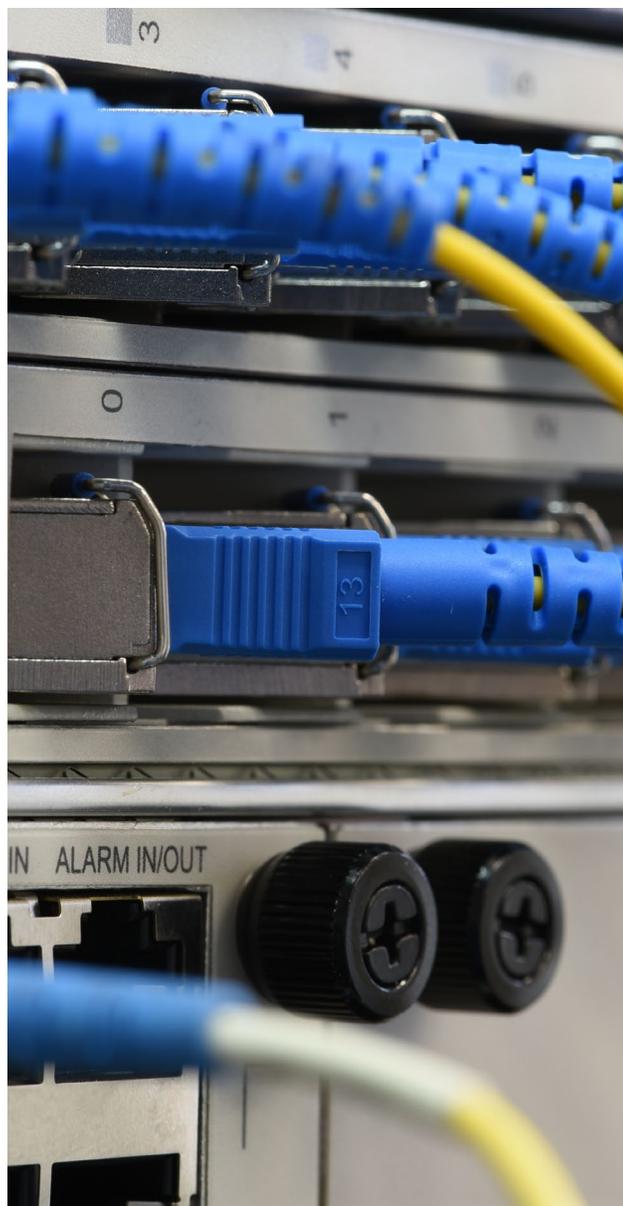
WESCO | Anixter's process-driven supply chain solutions delivered measurable business value, including:

- Annual savings in maintaining stock inventory
- Savings in urgencies protocol
- End-to-end visibility
- Considerable increase in shipping efficiency
- Significant cost savings in integrated services (kitting)
- Major cost savings in transportation services
- Dedicated warehouses and administrative staff
- Inventory efficiencies (counts, FIFO, performance KPIs)
- Technician efficiency due to on-time delivery of needed materials
- Capital efficiency due to WESCO | Anixter-owned inventory and extended payment terms
- Reduction in overall supply chain costs

Historically supply chain management has been about increasing efficiency and reducing costs. While those needs haven't changed, today's supply chain management process means playing a front-and-center role in the customer's entire process from beginning to end and having the agility to rapidly pivot and reconfigure when needed.

The financial capital that WESCO | Anixter has built means that our supply chain capability is scalable to meet your needs. Together we are creating the premier electrical, communications, and utility distribution and supply chain solutions company in the world. Our broad portfolio, expertise, and customer-first approach offer you MORE+ for your long-term success.

Learn more about WESCO | Anixter's combined supply chain capabilities.



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