Case Study

FST Logistics Partners with Confectionary Brand & Overcomes the Complexities of Increased Inventory

Confectionary Brand

- Over 25 brands worldwide, selling to over 150 countries
- Owner of confectionary brands including chewing gum, hard candy, chocolate & more

Our Impact

- Scaled warehouse services from 4,500 pallets to 12,000 pallet positions
- Increased inventory turns from once a month to twice a month
- Altered staffing solutions due to the increase in orders 80 weekly orders to 240 with 500 backlogs
- Reduced shipping time to 72 hours

Logistics Services Provided

- Warehousing
- LTL transportation
- Freight brokerage
- Retail delivery

Problem

The worldwide confectionary company had acquired a new brand, which would be housed at one of FST's facilities. During their acquisition process, inaccurate data was communicated with the confectionary company, leading to improper preparation on behalf of FST. What was planned to be a full-service account fulfilling big retail store orders, quickly became a more extensive operation. The inaccurate data led to short-staffing, space limitations, and a lack of equipment.

Solution

Due to the 166% increase in pallet positions and quick turn rate, FST Logistics, needed more space than what was originally identified. This led to the utilization of the company's warehouse network across Columbus, Ohio. However, the separation of product presented another obstacle, as a traditional WMS cannot efficiently track inventory across four different locations.

As a result, the FST team had to keep open lines of communication and maintain detailed logs to track inventory levels and order processing. In order to address the staffing caused by the acceleration of the account, FST utilized its labor sharing model. The model allows the organization to flex resources to areas of the business as labor demands fluctuate. This is accomplished because of standardized processes and procedures in the warehousing division. Labor sharing was vital during the labor shortage when order volume increased, the company also implemented overtime and pay increase incentives that helped to limit shipping delays.

During weekly calls, the confectionary company's supply chain team and FST's operations team maintained clear communication about the demands created by the inaccurate data. The separation of product placed a significant demand on FST's transportation division. With all orders being processed out of the home warehouse, inventory had to be brought in from the overflow storage in the surrounding area through shuttles. These shuttles were being run four to five times a day between the buildings utilizing the company's assets to maintain inventory in the home warehouse. When the demand for retail delivery overwhelmed FST's asset division, the company was able to utilize its freight brokerage and its carrier relationships to ensure the confectionary product arrived on-time and in full.

Conclusion

The inaccurate data led to months of work to understand the product's supply chain functionality and the customer's needs. FST's previous experience with insufficient data positioned the company to be nimble and adjust as new information was discovered. The campus-like warehousing network worked as designed, allowing the organization to flex where needed and share labor. The full-service capability also allowed FST to keep all shuttle needs between buildings internally. Fortunately, for the confectionery company, FST Logistics was able to leverage its various divisions to support the product's demands. Without the flexibility of a full- service 3PL, this inaccurate data could have resulted in a catastrophic failure.