

**Challenge: Outsourcing of Customer Distribution Center in 60 days**

A leading software publisher was operating their own 30,000 SF distribution center. With the upcoming renewal of the lease, the company decided to evaluate their cost structure. Several significant cost factors came to light including higher rents, growing labor pools (which were inconsistent with the core strategy) and major IT investment to update the warehouse and fulfillment systems. Because of the strong demand for their products, the business was rapidly expanding and distribution operations needed to grow accordingly.

DCL Solution:

Since DCL manufactured the products, fulfillment could now take place at DCL; saving freight and time. DCL developed the software interface to take orders directly from the customer's Oracle system into the DCL fulfillment system and report shipments back to Oracle replicating the customer's mode of operation. With a variable cost model using DCL's flexible work force, daily volume fluctuations were optimized while still meeting the customer service level requirements (shipment within 24 hours of order receipt).

Benefits:

- Outsourcing transition was completed in 60 days
- Reduced time-to-market since manufacturing and distribution now under one roof
- Compatibility with customer's existing Oracle system was maintained
- Substantial savings in total distribution costs were realized
- Time-to-shipment was cut by 1 day
- Customer now had real-time access to shipping information via the Internet
- Customer's fixed overhead infrastructure was replaced with a variable cost model

About DCL

Founded in 1984, DCL has emerged as the leading provider of next-generation Supply Chain Services. More than a logistics company, DCL is a trusted business partner who reduces operating costs and improves end-customer service via a full menu of order entry/processing, call centers, warehousing, final assembly, fulfillment, and returns management. DCL's advanced IT infrastructure is Internet-enabled for complete integration with enterprise-level business systems; its customizable solutions enable companies of all sizes to focus on their core competencies. DCL currently serves some of the best-known names in the high-tech and healthcare fields.