



UPS Supply Chain SolutionsSM

case study

Intermec Technologies Scans a Streamlined Supply Chain Horizon

Intermec High Tech

Achieving and maintaining an optimized supply chain is mission-critical to Intermec Technologies Corporation, a manufacturer and integrator of automated data collection and mobile computing systems with worldwide reach. Within the United States, Intermec distributes, repairs and replaces parts for numerous network devices, mobile computers and bar-code printers. Given the scope of both its products and customers, Intermec must rely on streamlined supply chain processes to maintain efficiency and effectiveness.

GEOGRAPHIC AREA SERVED

North America

Intermec cut costs and time out of its supply chain and facilitated accurate, rapid service to nationwide customers by outsourcing inventory and repair management functions to UPS Supply Chain Solutions.

CHALLENGE

Improve performance, increase delivery efficiency and decrease operating costs while serving a national audience of customers requiring immediate spare-and-repair services.

Client Challenge

Prior to outsourcing its U.S. scanner-and-printer repair and spare-parts distribution, Intermec handled both internally with four multi-product service centers nationwide. Each center independently purchased product and managed depot repair. And while Intermec maintained oversight, this ultimately extended the supply chain, driving up overall costs. Since Intermec focuses on enhancing, expediting and implementing supply chain management for customers, its own domestic spare-and-repair service parts logistics had to perform at high levels of efficiency, agility and accuracy. It was clear that Intermec needed a qualified service parts logistics provider with the demonstrated capability to slim down the supply chain and increase productivity.

SOLUTION

Streamlined national distribution, repair, and transportation services with real-time visibility via centralized UPS Supply Chain Solutions facility.

Our Solution

Intermec determined that UPS Supply Chain Solutions offered the service parts logistics resources it needed and recognized the compelling advantages of using its centralized warehousing and end-of-runway repair facility located near the UPS Air Hub in Louisville, Kentucky, to facilitate faster printer repairs and spare-parts turnaround.

RESULTS

- Optimized supply chain
- Rapid response, replenishment and repair
- Reduced inventory
- Reduced pipeline costs
- Increased customer satisfaction

“UPS Supply Chain Solutions’ Louisville facility is a distribution center optimized for small package delivery, giving us access to the broadest range of delivery options and time frames,” said Mike Nelson, Intermec Global Logistics Manager.

For Intermec, the combination of centralized inventory and repair service in proximity to the transportation hub allows unequaled turnaround times. The center operates around the clock with shipments occurring as late as midnight, even if orders are received less than 24 hours prior. Intermec's advanced exchange, three-day and five-day turnaround service level agreements also are supported by this capability. Orders are managed via links to Intermec's service management system, while shipment tracking for out-bound deliveries and reverse logistics is managed via a seamless interface with the UPS Supply Chain Solutions system.

In the first year of this relationship, the dedicated staff of UPS Supply Chain Solutions performed nearly 92,000 repairs for Intermec. This staff is key to managing Intermec's significant distribution volume—each person is hired and trained specifically to service Intermec's business. Also integral to the relationship's success are flexible account teams at both Intermec and UPS Supply Chain Solutions, who communicate and function as a unified team. This unity extends to performance evaluations—the UPS Supply Chain Solutions team is scrutinized based on the same criteria as Intermec's staff.

The integrated service parts logistics provided by UPS Supply Chain Solutions has helped Intermec rationalize its depot repair strategy by reducing the number of service repair locations, while centralizing distribution with real-time inventory visibility and repair functions that minimize processing time for inbound, outbound and reverse logistics. Co-locating distribution with repair and transportation capabilities optimizes the supply chain. Consolidation results in fewer touch points, improved quality, faster turnarounds, later cutoff times, increased customer satisfaction, and ultimately, extraordinary savings.

According to Steve Winter, Intermec Senior Vice President of Global Services, "We wanted to increase customer satisfaction by reducing transportation and logistics costs, and improving repair and spare-parts turnaround times. UPS Supply Chain Solutions coordinates the entire logistics process. By outsourcing our spare-parts distribution and printer-and-scanner repair and transportation functions to UPS Supply Chain Solutions, Intermec has improved operational performance and reduced delivery costs."

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*—Steve Winter,
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of Global Services,
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