

IMPRESSIVE SAVINGS ON SPACE, LOGISTICS, AND COST

Manufacturer Benefits From Streamlined Process and Improved Cash Flow



We take the risk of overseas sourcing with simple, flexible solutions tailored to your needs.

CASE STUDY

SOLUTION

Just in time availability through a trusted member of our network.

STRATEGY

Having worked with the client to understand their immediate priorities, Comtrad set out to find a solution that would address the pain created by their current supply chain. This required some innovative thinking. Upon considering the available options, the team at Comtrad decided to leverage an established relationship with a local distributor in order to simplify the client's sourcing burden while keeping costs low.



CHALLENGE

A high-volume multi-family cabinet manufacturer was invested in supplying their growing customer base. Producing over 600,000 cabinets a year, their high production runs necessitated the purchase of a significant number of hardware pieces, including drawer slides. They began buying direct from

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China, but encountered a number of challenges. First, their Chinese orders required up-front investment prior to delivery, tying up cash flow. Secondly, to remain on budget, purchases needed to be made in large quantities; this not only cost a great deal up-front, but also tied up warehouse space to house the shipping containers of inventory that they were receiving. Lastly, if they received faulty goods, they had little recourse to recoup the cost. The company was actively seeking a new solution that would lower their risks by improving inventory financing, shipment quality and warehouse utilization.

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PROCESS

Comtrad worked with the distribution partner to develop a logistics program that would import the client's products from China on their behalf, guaranteeing quality and immediately negating the need for up-front Capex on COD deliveries. Comtrad's distribution partner agreed to not only deliver the drawer slide products to the client on a Just-in-Time basis, but also to store the orders in their facility.



The client has experienced an immediate improvement in cash flow.

RESULTS

On an ongoing basis, Comtrad now works with the client to forecast their needs each quarter. Comtrad's distribution partner receives this information, checks it against the amounts they have on hand, and places any necessary orders. Through this process, the client has experienced an immediate improvement in cash flow. Just-in-Time delivery has saved them several thousand square feet of warehouse space. And if ever a quality issue arises, the client can return product directly to their local distributor free of cost in exchange for new product.

The client has benefitted immensely from Comtrad's established overseas relations and local distribution network, saving time and money, and freeing up warehouse space for more profitable endeavors. The distribution partner is also pleased with the arrangement, having gained a new major client themselves. Since first implementing the solution, the client has resolved key operational challenges and subsequently increased the catalogue of products they now procure from Comtrad and its network, having found trusted partners that they know have their best interests at heart.

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To learn more about Comtrad, contact our team today.

Toll Free: 1.866.200.0564 Tel: 905.625.0564 E-mail: inquiries@comtradsourcing.com
5106 Timberlea Blvd, Mississauga (Toronto), Ontario L4W 2S5, Canada www.comtradsourcing.com

