

Consumer electronics company successfully accelerates product launch to meet holiday demand

INDUSTRY

Consumer Electronics

CLIENT

Start-up division of an established communications technology company

BUSINESS CHALLENGE

Opportunity to launch product sooner than expected but distribution and shipping operations needed to be ramped immediately

SOLUTION

Fast program onboarding with a comprehensive process for order management and fulfillment; unique short term IT solution; moneysaving package redesign option

RESULTS

- 6 weeks from initial engagement to first shipments
- Quickly worked through approximately 15,000 pre-orders in 8 days
- Shipped approximately 15,000 additional new orders in a matter of weeks
- Delivered packaging redesign concept for 97 percent of outbound orders to ship in a sub-one pound box, substantially reducing materials, labor and shipping costs

A Case Study in Meeting Holiday Demand

Today, what was expected to be a one-time, short-term engagement is now a partnership going strong in a new capacity. The client has reengaged with ModusLink for a variety of critical reverse logistics programs that are expected to help keep its unprecedented customer service and satisfaction ratings high.

THE CLIENT

The client is the start-up division of an established, global and much-relied upon communications powerhouse. Its technology provides the foundation for many of the marquee names in the telecom industry and the company is a consistent leader in disruptive innovation.

This new division focused on consumers is fast-growing and consistently profitable. Its unique business model garners extremely high customer satisfaction rates and has a loyal customer base that is remarkably active in discussing the company through social media.

The company is privately-held and is based in the U.S. with more than 300 employees across 10 locations.



ModusLink proved to be a phenomenal launch partner for us - highly reliable and quick to execute at a time when it was critical for our new business.

THE BUSINESS CHALLENGE

In a situation that is somewhat atypical for the consumer electronics or computing industries, the client was able to speed up final testing and production and was ready to launch the product sooner than had been scheduled.

This improvement in the timeframe coincided with the results of an active and well-received field beta testing that generated considerable pre-launch market buzz and high demand for the product. In fact, customers were lining up in advance, placing thousands of pre-orders and eagerly awaiting their new devices.

This unforeseen chance to launch the product sooner than expected came during the early fall, which meant there was high potential for lucrative pre-holiday sales. However, the distribution and shipping operations that had been put in place for a launch in the new year needed to be ramped immediately and ready for reliable and near-perfect execution.

Unfortunately, the company faced a difficult logistics problem. Its selected operations partner was simply not able to shift its existing schedules to accommodate for this unanticipated good timing, meaning the client urgently needed to find a short-term engagement in order to maximize the opportunity.

According to one of the operations managers tasked with finding a solution, “We needed an immediate and highly reliable partner to help with pre-orders and launch fulfillment and ideally, a local provider close to our headquarters.”

THE SOLUTION

One of the company’s supply chain executives knew of ModusLink from a previous position and understood its multiple value-added warehousing and distribution capabilities, as well as ModusLink’s ability to quickly onboard new programs.

ModusLink understood the short-term nature of the proposal, as well as the very urgent need that the client was facing. The operations team at one of ModusLink’s nearby U.S. facilities felt certain that they could support their new client’s scope of work and do so in record time

“ Our original meeting with ModusLink occurred in late October. We quickly moved to a letter of intent and a master services agreement, and then commenced shipping all within six weeks. The ModusLink team took our needs very seriously at a crucial time.”

The team developed a comprehensive process for order management and fulfillment, with a priority on clearing the initial pre-orders and then moving to ship new holiday orders.

Next, the team quickly set up all the necessary workstations, trained staff and brought in client executives to see the progress and ease concerns. To accommodate the very short ramp up, the team took a novel approach and linked directly into the client's network. This was a fast and creative way to ensure accuracy and speed at a time when the typical IT systems integration of a long-term supply chain and logistics program wasn't feasible.

Simultaneously, ModusLink saw an opportunity to help the client save significant materials and shipping costs and presented a package redesign concept.

THE RESULTS

Understanding that the backorders needed to be cleared immediately, ModusLink's team began to quickly work through the approximately 15,000 pre-orders for the new consumer electronics product. Tackling the packaging and shipping of almost 2,000 orders a day, the team cleared the backlog within 8 days.

"The real success was just how fast we got up and running," said the operations manager.

Over the course of the next couple of weeks leading up to the December holiday, ModusLink processed and fulfilled approximately 15,000 new orders—a pace that kept steady well into the new year, at which point a smooth handoff of the fulfillment program was made to the incumbent provider.

ModusLink also showed what it means to be a "value-added" warehousing and distribution partner by demonstrating the monumental cost savings to be had from a packaging redesign.

One concept could allow approximately 97 percent of outbound orders to ship in a sub-one pound box, greatly reducing the amount of materials used. This was a major improvement from a sustainability perspective and key for a new company, it substantially reduced labor and shipping costs.

Today, what was expected to be a one-time, short-term engagement is now a partnership going strong in a new capacity. The client has reengaged with ModusLink for a variety of critical reverse logistics programs that are expected to help keep its unprecedented customer service and satisfaction ratings high.



©2014 ModusLink Global Solutions. All rights reserved worldwide. ModusLink and the ModusLink logo are trademarks or registered in the United States and/or other countries. All other names are the property of their respective owners trademarks of ModusLink Global Solutions. For additional information on ModusLink Trademarks, please see <http://www.moduslink.com/terms-and-privacy>. Specifications and product availability are subject to change without notice.