

## CASE STUDY

# Optimising Cargo Flow through Better Supply Chain Visibility and Control



## Control Tower Model and Cutting Edge Technology for Efficiency Gains and End-to-End Supply Chain Visibility

### Challenge Summary

- Lack of supply chain visibility
- Absence of reporting data
- Lack of access to vendor's performance levels

### Services & Technologies Used

- Ocean Transportation
- Air Transportation
- Regulatory Compliance
- Lead Logistics Partner (LLP)
- Visibility Tools

### The Challenge

Headquartered in Stamford, Connecticut, HARMAN designs and engineers connected products and solutions for automakers, consumers, and enterprises worldwide, including connected car systems, audio and visual products, enterprise automation solutions; and services supporting the Internet of Things.

Seizing the rich opportunities of today's global markets requires more than legendary sound. HARMAN was dealing with a lack of supply chain visibility across multiple vendors and various shipping channels used since 2003. Added to that, internally, the company had to contend with an absence of reporting data that would enable them to optimize their supply chains. Excess inventory and out-of-stock scenarios, mismatched POs, and lack of standard KPIs across countries and vendors also added to the challenges faced. Operationally, the company faced challenges to manage its vendor network due to lack of access to vendor's performance level. Long turn-around time and low visibility led to higher inventory levels and carrying costs. The overall difficulty in being unable to coordinate and manage multiple vendors led to efficiency issues, while the general unreliability of shipment deliveries to factories on time created production delays, productivity loss, and bottlenecks.

All these factors created a significant negative impact on HARMAN's operational costs, supply chain efficiency and revenue growth. Facing such complex challenges, HARMAN invited PSA BDP to present a solution.

### The Solution

Over the years, dedicated PSA BDP teams have been set up in HARMAN's major sourcing countries to oversee their whole logistics process. Our goal was clear - to improve shipment planning, visibility, and order traceability, reduce inventory at buffer points, and to create a more stable, integrated and synchronized supply chain setup. All were to ensure consistency and accuracy, as well as timely delivery among all vendors and to end customers. The key to this solution was PSA BDP acting as the control tower, owning all integrated activities including PO management, buyer consolidation, transportation via ocean, air or land, customs clearance, and warehousing.

**"[The team] helped to bridge the gap between HARMAN and our overseas vendors. Now we have the entire supply chain and vendor network under control."**

-Connie Chen, Senior Management of Sales & Operations, Professional Solutions, HARMAN



Furthermore, we leverage our Smart Vū - the key engine to facilitate the control tower concept, which is an all-inclusive solution to vendor management and supplier logistics which provides a single, web-based access point that delivers end-to-end supply chain information timely and seamlessly to HARMAN.

"HARMAN cannot afford to have problems with their shipments," said Michelle Chan, HARMAN's Account Manager in Asia. "The impact of a production shutdown for a lifestyle manufacturer would be huge. When you have to deal with more than 50 vendors in different countries, transparency and communications are key," Michelle emphasized.

To ensure full coordination amongst all parties, and improve the supply chain performance, PSA BDP organised several face-to-face workshops with key representatives for HARMAN's vendors. The purpose was to help them fully understand what documents had to be prepared for their international logistics, the timeline for submission, Incoterms, identifiable supply chain challenges and issues, shared experiences and opportunities, and areas for improvement by simulating various scenarios. PSA BDP also conducted weekly follow-ups with each individual vendor to ensure their full understanding and full commitment to the process.

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PSA BDP has helped HARMAN to optimise the ideal transport mix based on lead time, delivery days, cost and carbon emissions rather than the mode of transportation. When it comes to transportation, finding the optimal combination of air, sea-air and ocean is a major factor in reducing overall cost and carbon emissions. Based on the up-to-date PO information received from vendors for multiple divisions at HARMAN, PSA BDP can consolidate and recommend the most effective way for transport, optimising the mix to meet HARMAN's business needs, thereby reducing the complexity as well as risks involved.

Smart Vū provides the ability to monitor, measure and manage the supply chain, focusing on three key enablers: greater visibility of the supply chain, real-time tracking, and reporting and measurement capabilities.

## Customer Benefits

- Single point of entry visibility
- Increase in management efficiency
- Quicker procedures & avoidance of costly drawbacks

Clear alignment with vendors on the supply chain management goals – and the actions needed to achieve them – resulting in a supply chain that is further optimized ensuring smooth transaction to bring materials and products to HARMAN Europe and US markets.

## The Result

The PSA BDP approach ensures that HARMAN was provided with a clear single point of entry visibility and total control of the entire supply chain. This led to an increase in management efficiency for the customer and a scalable solution that allowed for lean processes, reduction in the risk of business disruption, and the lowering of emergency and back up costs. Taking the complexity of managing a supply chain away from HARMAN, they can now focus on their core business and competencies. The customer's service level has been continuously upgraded, leading to higher revenue increase, their overall end-user satisfaction and road for future growth.

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-Michelle Chan,  
HARMAN's Account Manager