



# Single Parts Packaging Experts

## Case Study

# Single Part Packaging Experts

A leading agricultural original equipment manufacturer (OEM) contacted NewStream in the midst of its busy season with an issue: Capacity was strained in their newly-built Midwest parts distribution center (PDC). There was a major backlog of packaging work orders and customer order fulfillment was stalled.

After on-site discussions at the OEM's PDC, the OEM warehouse team visited NewStream's kitting and packaging operations in Springfield, Missouri. The team was impressed by the processes, flexibility, technology, and culture within the warehouse. A plan was devised to reroute backlogged packaging work orders to NewStream to relieve the pressure from the Midwest PDC.

Two weeks after the Springfield meeting, trucks flowed into NewStream's facility at the rate of one per week, then quickly flexed to one per day with NewStream setting up a dedicated carrier from the customer's PDC to Springfield and back to keep the flow of material to the customer's expectations.

In addition to providing a solution to its single parts packaging, the OEM once again went to NewStream to help with a kitting issue. A sales promotion was scheduled to start for the OEM and specialized kits needed to be in stock for their national sales team.

NewStream quickly received and turned kits for the entire North American sales promotion with a turn time of two days.

Lastly, the OEM needed help on packaging requirements for almost all components. NewStream's in-house packaging engineering team stepped in and made that happen successfully. In fact, it was so successful that the team not only helped write the packaging specifications for the majority of the product, they were also able to help the OEM see an increase in warehouse utilization of their Midwest PDC.

In addition to increasing warehousing utilization by enlisting NewStream's experienced associates for their single parts packaging and kitting needs, the OEM was able to reduce its labor cost within the Midwest PDC with the elimination of its third shift. The company was also able to focus on customer order fulfillment as it transitioned its single parts packaging from an in-house operation to NewStream's Springfield facility, resulting in a 75% decrease in its customer backlog over a 60 day period.

## Improvements Across the Board

- Capacity and supply chain issues created a large backlog of packaging orders for the customer. NewStream helped reconcile the majority of these issues quickly, packaging over **75% their customer backlogged** products in a **60-day period** as vendor fill rate continued to be a problem for the customer.
- **Efficiencies** were realized by the customer after transitioning single parts packaging to NewStream. The teams quadrupled volume within the first two weeks into order to further ease backlog issues, increasing customer service for the client
- Packaging turn time was reduced from over two weeks at the customer's location to three days at NewStream, allowing the customer to **increase its fill rate** at its parts distribution center.
- The customer's capacity issues showed further in their kitting program. NewStream **received and turned kits for the entire North American sales promotion** in a two day turn time.
- NewStream's in-house engineers provided packaging specifications which resulted in **an increase in warehouse utilization** at the customer's parts distribution center.

### The Challenge

A leading agricultural original equipment manufacturer contacted NewStream in the midst of its busy season with an issue: Capacity was strained in their newly-built Midwest parts distribution center.

### The Solution

Transition single parts packaging to NewStream to see an increase in order fill rates, warehouse utilization, and customer service.

“ [NewStream] is a vital component to our daily performance. I sleep at night knowing NewStream is taking care of my business.

Assistant Manager,  
Parts Operation