



Leading Consumer Products Company Leaps Ahead with Covenant's Buffer Warehouse Solution

Covenant's client provides more than 200 countries & territories across the globe with the world's most recognizable household and consumer brands and is constantly applying their 200-year history of strength to transform its company & identify new opportunities.

Their values are not only reflected in the quality of their products, but also in their dedication to serving the communities where they do business—a value shared by Covenant.

Covenant's client began their search among 3PLs for the best "buffer warehouse" solution for their flagship, US-based, manufacturing facility. Covenant's proactive response to their client's needs in the RFP - including helping to secure a suitable facility in an extremely tight warehouse market - ultimately won them the privilege of implementing their client's buffer warehouse concept.

A buffer warehouse is a staging facility, usually near the manufacturing facility, for finished goods that will eventually be used to fill consumer orders either directly or indirectly through a distribution center. A buffer warehouse bridges the gap between fluctuations in manufacturing, inventory variations at distribution centers, and the products' ultimate destinations. It enables the production processes and deliverables to stay in balance by smoothing demand/supply variability and reducing double handling of product. In addition,

it helps to stabilize revenue generation, provides capacity for growth, and supports the space, labor, and WMS functionality required for small order fulfillment.

THE CHALLENGE

The client's manufacturing facility produces their top-selling product lines—toothpaste, mouthwash, and other oral products.

Prior to the buffer warehouse solution, the plant manufactured the product and then staged the finished goods for the distribution centers, consuming valuable space and time that could otherwise be used in the manufacturing process.

Holding product in distribution centers, waiting for orders, proved inefficient as well. For example, excess factory products would be shipped to the distribution center with the most available space, regardless of the end user's location. This resulted in

longer delivery cycle time, added transport miles, and ultimately extra costs.

The objective in this project was to enable manufacturing to concentrate on optimizing production runs by reducing or eliminating their time spent focused on distribution. Adding to the complexity was the need to support this with the following:

- The large volume of small orders required picking, packing, and special labeling to dental offices and other divisional ship centers,
- Marketing kits built and distributed to the client's field sales teams, and
- Certain FDA-controlled products requiring temperature controlled storage and pharmaceutical licensing.

The combination of these challenges led to the need to develop a solution that would consolidate these functions into a single facility and allow manufacturing to focus on their core processes.



THE SOLUTION

A buffer warehouse would serve to relieve the manufacturing facility and any of their large-lot distribution centers from having to allot space, technology, and staffing for their small kitting fulfillments. It would also serve as an overflow/holding warehouse for domestic and international distribution in addition to delivering small shipments of their products to dentists, smaller stores, and their sales teams.

“Covenant understood our custom needs & provided us a thoroughly mapped-out solution & action plan for implementation. They hit the ground running. No hiccups. No systems issues. No damaged product. No clog in the supply chain.”

In a very tight market where no suitable warehouse options existed, Covenant’s flexible and responsive expertise created the perfect solution: They found a facility, brought it up to grade (including pharmaceutical certification), and seamlessly implemented all of our client’s requirements for this special-needs product line.

As a bonus, Covenant cut the normal 6-month process in half and launched operations in just 12 weeks!

COVENANT DELIVERED

A 152,000 sq. ft buffer warehouse near the manufacturing facility

Launch timeframe cut-in-half

Food-grade specifications

Pharmaceutical certification
(Climate & lighting controlled)

A quality assurance program

Flexible, cost-effective, custom kitting operations

Security & safety protocols

A qualified workforce

WMS supported software

Sustainable green solutions
(Electric forklifts, motion activated & timed lighting, internal paperless processing, the repurposing & recycling of packaging materials, & more.)

THE RESULTS

Covenant’s agility and commitment to the client partnership has created a successful process that delivers ongoing value. And it continues to maximize the client’s distribution services and ensures timely deliveries of all buffer warehouse orders.

“Nowadays, customers have more complex requirements for their 3PLs. A number of companies working with the billion dollar warehousing providers are finding out that the larger 3PLs are too big and too far removed from the customer to really adapt quickly and effectively. For us, every one of our customers and projects are different, and we custom-design solutions accordingly.”

—Nathan Cowart, Landair’s VP, Sales

From start-up to implementation to ongoing operations, their client discovered that Covenant, a mid-sized 3PL, not only possessed vast resources and technical know how but also outperformed larger 3PLs. Covenant raised the bar with responsiveness, customized solutions, and turn-on-a-dime flexibility.