

Case Study: Boosting asset returns

FedEx® Logistics Transportation Management delivers a customized asset return solution

The challenge

A global provider of thermal protection packaging solutions for the safe transport of pharmaceuticals and biological materials designed with longevity, re-usability and sustainability in mind.

The provider's high-value packaging solutions include reusable insulated containers that are reconditioned at its facility in the U.S. For one global customer that uses hundreds of these containers each week to ship temperature-controlled pharmaceuticals, the return rate for these assets from end recipients was only running about 50 percent. At several hundred dollars each for replacement containers, this low return rate translated into a significant added expense.

The solution

The packaging solutions provider approached us for assistance in solving this customer's challenge. The assignment landed in the hands of the FedEx® Logistics Transportation Management group — a team with over two decades of experience in analyzing supply chain processes and engineering tailored solutions that deliver quantifiable results.

Using the suite of tools available in its robust transportation management system (TMS) and the FedEx Insight® customer technology platform, we developed and implemented comprehensive standard operating procedures (SOPs) for handling the customer's outbound shipments and returns.

First, the team recommended a transportation program that takes advantage of the broad FedEx® portfolio to generate cost efficiencies — without sacrificing reliability. Using this transportation program, the customer ships outbound deliveries via FedEx Express and uses FedEx Ground for the returns. Using FedEx Insight, the customer includes the asset identification number in the return label that's placed inside the reusable container so that it can easily be tracked and cross-referenced.

Each morning, the team accesses a daily status file that lists the customer's reusable containers (shipped by FedEx) — including the estimated delivery date for every outbound shipment and the corresponding asset identification number. If a container is not picked up by FedEx Ground on the first attempt, system-event triggers alert the Transportation Management team to monitor and intervene as needed. A team member then calls the medical office, hospital or pharmacy to facilitate the return. The process is repeated a second time if necessary.

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The results

The Transportation Management team shares a daily status report for all the customer's reusable containers in the returns pipeline — including those not picked up following two prompts.

The customized asset returns solution designed by the team enables these high-value containers to be more closely tracked and managed. As a result, the packaging provider helped reduce the inventory replenishment time for this customer — including helping to minimize the expense of replacing unreturned containers.

Additionally, by being able to recover and reuse a greater percentage of these containers, the pharmaceutical customer has been able to strengthen its commitment to environmentally sound business practices.