

CASE STUDY

POLYONE SUPPLY CHAIN VISIBILITY

How Livingston identified process inefficiencies and uncovered hidden savings for PolyOne.

Case study

PolyOne: Supply chain visibility

Visibility and accurate reporting are crucial to the success of any supply chain. By working closely with your logistics provider – from origin to destination – you benefit from the added value a true partnership brings.

When Livingston began working with PolyOne Corporation, a global provider of specialized polymer materials and services, the company had limited in-house resources overseeing their global supply chain.

You can't fix problems you can't see

PolyOne's 13 business units were working independently of each other, using multiple providers throughout their supply chain, and making individual decisions to meet their mandates. While this fulfilled individual business unit needs, it failed to capitalize on cost optimization and risk mitigation strategies that a holistic approach provided. Overall, PolyOne lacked a trusted source for analytics, visibility and expertise needed to make informed, impactful business decisions about their supply chain.

"I had worked with Livingston previously and was really confident of the trade compliance knowledge they would bring to our relationship."

– **Lila Rose**, Senior Manager of Global Trade, PolyOne.

It started with a clean slate – a.k.a. a whiteboard session

So, PolyOne hired a dedicated trade manager, Lila Rose, Senior Manager of Global Trade, whose vision was to consolidate their broad list of suppliers down to just two. Livingston was consulted, and we conducted a whiteboard session to map out PolyOne's import and export process for each of its 13 business units.



During our whiteboard session, we examined PolyOne's supply chain from origin to destination, documenting gaps throughout each phase and identifying where efficiencies could be realized.

Seeing the big picture

During our review, we found that PolyOne suppliers were using incorrect Incoterms®, which often exposed the company to unnecessary costs and compliance risks. For example, several suppliers were factoring freight costs into the value of the goods, resulting in excess payment on duties and taxes.

"The whiteboard session showed that PolyOne lacked visibility to shipments because of the way their Incoterms® were originally agreed to in their supplier contracts," said **Nicole Calabris**, Trade Management Executive, Livingston International. "The customs broker wasn't getting visibility to those shipments until they arrived at the port. With their supplier being responsible for the transportation to the U.S., neither the customs broker nor PolyOne's internal accounting and transportation management teams were getting the data needed in a timely manner."

Further analysis revealed that suppliers routinely routed shipments to their own preferred ports or utilized less efficient routing. This often resulted in containers needing to be moved either by road or rail over greater distances than needed, adding cost and time in transit.

How Livingston helped

Livingston designed a streamlined approach, acting as a control tower to manage both the physical movement of the goods and the accompanying flow of data. This allowed PolyOne to meet its strategic goal for an efficient, secure and compliant global supply chain.

“By taking control of booking and managing the cargo from origin to destination, Livingston was able to identify opportunities for PolyOne to save close to \$1million on transportation and on duties and taxes. And that was just for a single business unit.”

– **Brad Dyer**, Director, Business Development, Livingston International

The Result?

Providing both freight transportation and customs brokerage from point of origin to final destination, Livingston has helped PolyOne to reap significant benefits. For example, choosing more efficient shipping routes and making changes in Incoterms® is expected to bring savings of almost \$1million for PolyOne’s distribution division alone.

With Livingston actively managing their shipments and proactively reviewing their processes for possible improvements, PolyOne knows their goods are being moved cost-efficiently and in full compliance with trade regulations.

A truly global partnership

Globalization is a key pillar for PolyOne, one which Livingston is fully committed to supporting. When they entered the Thai, Puerto Rican and Costa Rican markets, Livingston set up warehousing operations for them in each country. This new local presence has given PolyOne a competitive edge and helped them gain considerable market share.

And, as an extension of PolyOne’s current teams – coordinating everything from shipping and customs to updates and record keeping – Livingston frees up resources within PolyOne’s business units, letting them focus on what they do best.

“Most of our business units didn’t know they could get that level of service,” says Lila Rose. “They were really happy to see what could be done with Livingston as a partner.”

Contact Livingston

Looking for more visibility, efficiency and value in your supply chain? We’re here to help.

Email us at: simplify@livingstonintl.com

or give us a call at **1-800-837-1063**