



NEXUS

Case Study: Boise Paper



NEXUS

warehousing | transportation | logistics

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www.nexusdistribution.com

A FRESH SHEET OF CUSTOMER SERVICE

When Boise Paper wanted to consolidate five Northeast region facilities into just one, it turned to Nexus Distribution for customer service excellence built on a sound implementation process.

THE CUSTOMER

Boise Paper

Boise, Idaho

www.boiseinc.com

With 2009 sales of \$1,420 million, Boise Paper is the third-largest North American manufacturer of uncoated freesheet paper products, with annual production capacity of approximately 1.3 million short tons. The company manufactures and sells a range of papers, including communication-based, commodity and premium papers, a range of packaging demand-driven papers, and market pulp from U.S. four mills.

THE PARTNER

Nexus Distribution

Arlington Heights, IL

www.nexusdistribution.com

Nexus Distribution is a third-party logistics provider specializing in full-service, client-specific solutions. Its collaborative effort of people, technology, and location allows companies to gain differentiation in their target markets and win new customers.

Customer service excellence truly begins with a sound implementation process. Boise Paper came to Nexus with an increasingly common yet complex business objective: to consolidate several third-party distribution centers. As order size and frequency become more dynamic, multiple distribution center models can prove to be cumbersome and costly to manage. In Boise's case, the goal was to consolidate five Northeast region facilities into just one.

While DC consolidation projects should result in improved service and savings in the long-term, they often pose a multi-faceted challenge for companies during the implementation phase:

1. Production Planning and Inventory Control.

Inventory carrying cost reductions are realized after the consolidation project is complete. However, during the consolidation transition, it is a delicate balance to avoid duplicate inventory, double handling, unnecessary transit cost, stock outs, canceled orders and split shipments.

2. Systems and Processes.

Systems integration, process integrity, and transit schedules must be implemented aggressively at the consolidation location to ensure uninterrupted service.

3. Public Relations. Consolidation may relocate the product source further away from some end

customers and can impact closely held and valued supplier relationships.

Nexus employs a formal, proven implementation framework that addresses the challenges of a 3PL distribution center transition. This includes:

- Cross-functional Implementation Team
- Detailed project plan and dedicated project management
- Regular, joint status meetings
- Systems set-up and testing
- Program-specific process documentation and training
- Audits conducted at critical stages
- Joint visits to end customers to communicate commitment and ensure a smooth transition

The Nexus implementation process provides a solid foundation at the DC level, ensuring that orders are shipped complete, on time, and damage-free. Nexus' proven approach to managing this process allows its customers to focus on production planning and customer relationships during the critical transition stage.

"Any consolidation project can seem daunting," explains Meachel Johnson, Boise Outside

Warehouse Manager. "But with the Nexus and Boise teams working collaboratively the whole process has been much smoother than we anticipated it would be.



Nexus' outstanding customer service keeps Boise Paper's supply chain on a roll.