Case Study

PROJECT OVERVIEW

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Logistics Strategy Advisory for a Sustainable Manufacturer

The client is a cutting-edge materials science company on a mission to use sustainable algae technologies to replace petroleum-derived carbon black and launch carbon-negative products. Currently, most pigments used within the industry are derived from petroleum. This client is changing the way pigments are made by developing a sustainable alternative using algae as colorants for eco-friendly products. They are commercializing a black algae-based pigment that has a negative-carbon footprint, is bio-based, resistant to UV-light exposure, and safe for use within manufacturing for publications, packaging, textiles, and footwear.

The client is in the early stages of their lifecycle as they pursue trials and pilots with customers. This forecasting climate makes it challenging to develop an appropriate logistics strategy given the volatility of the market and their level of maturity versus the global footprint and concentration of their competitors.

The client was looking for a partner to help them define and assess the opportunities and challenges associated with different distribution and logistics models as they looked to expand globally – and specifically into the Asian markets. The client engaged Clarkston's supply chain experts to provide advisory services in support of their development of an overseas logistics strategy to support their commercial growth plans.

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INDUSTRY:

Biomaterials

PRODUCTS AND SERVICES :

Eco-friendly and sustainable technology and products

PRIMARY OBJECTIVES:

- Provide advisory services as the client assessed a relevant logistics strategy to support the initial phase of their growth plan
- Review and advise on third-party logistics (3PL) strategy and vendor selection process

RESOLUTION:

- Confirmed landed cost components, Harmonized Tariff Schedule (HTS) codes, and valuation assigned for current countries of interest
- Advised on types of logistics service providers and key benefits and considerations when evaluating
- Gave guidance to supply chain best practices and key considerations
- Provided logistics education on International Commercial terms
- Advised on 3PL partner best practices
- Discussed bid scenarios, target services, regional expectations, RFI/RFP processes
- Provided advisory consults for the customs fee estimate by region and with 3PL partner best practices
- Provided 3PL evaluation criteria · Shared 3PL RFP expectations, services, key requirements for consideration, and contractual processes
- Gave guidance to cost evaluation and varying components to drive cost comparisons
- Supported the client's development of an internal model analyzing expected brand costs and associated landed costs

KEY BENEFITS:

- Led the client through an informative, efficient process to evaluate and substantiate their analysis and determine the appropriate logistics strategies for the next phase of their business development

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