



**South Coast Logistics**  
12572 Western Avenue  
Garden Grove, California 92841  
Telephone: 800.833.1766

## **In-Transit Merge<sup>SM</sup> Program**

*Solutions and Services that Simplify the Logistics Supply Chain Process*

### **Situation:**

Continental and global demands are increasing for complete transportation and supply chain management as companies expand their sales and distribution reach into broader markets. In many cases, the need for a comprehensive asset management and tracking system is mandatory to help minimize warehouse and inventory-carrying costs and to better insure on-time merging and delivery. Ideally, all supply chain links should be coordinated and managed using cost effective solutions that are adaptable for a variety of distribution and logistics projects.

### **Goal:**

Develop and implement an improved process that encompasses the entire supply chain in a manner that promotes the efficient, cost-effective coordination of multiple service providers without sacrifice to the customer's timeline and budget. A successful solution factors all elements of time, cost, location, and flexibility of completing the in-transit merge process from the moment a shipping order is placed to the warehousing and delivering of supplies as needed.

### **Solution:**

nAL developed the **In-Transit Merge (ITM) program** with the objectives of minimizing warehouse costs and reducing inventory-carrying costs during an in-transit merge and delivery process. A pilot program was developed in 1998 and successfully implemented to the point of building the ITM program into a total solution that addresses a customer's entire supply chain. The success of these efforts earned nAL preferred Designated Service Providers (DSP) status with companies in the global markets. The solution provides a seamless distribution method that merges and moves products from multiple centers to customers on a worldwide basis.

The cornerstones of the nAL ITM program include:

- Asset management system that provides visibility of orders by interfacing directly with a customer's order management system to track material from point of order through final delivery
- Product tracking system to track the physical flow of material through nAL's network of facilities
- Final delivery to site providing all required equipment and resource
- Support for the customer's national and global objectives and support for the objectives of delivery precision against commit date, lead-time, and customer satisfaction

nAL maintains its DSP status by delivering the latest technology of radio base systems, switching center material, and related material. nAL is extremely well positioned in the North America marketplace to provide the full service delivery requirements for a variety of goods, regardless of sensitivity, size, and structure. The ability to combine this competency with nAL's Asset Management Systems (AMS) capabilities provides nAL customers with a one-stop shopping opportunity for distribution services. The AMS is supported through the use of the Product Tracking System (PTS) and data is entered electronically, scanned through radio frequency (RF) technology, scanned through palm technology, or in some cases manually applied depending on volume and cost considerations. As a service provider, nAL is capable of handling all distribution activities from pick up at the point of shipment to delivery to the site. Quality processes are supported by nAL's compliance with ISO 9001 processes throughout.



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**Case Study: a nAL In-Transit Merge Success Story**

This study follows the In-Transit Merge (ITM) needs of a worldwide leader in the manufacturing and marketing of specialized telecommunications communications equipment, with an estimated 40 percent of worldwide mobile traffic currently passing across their systems.

In 1997, nAL engaged with the client to provide an ITM program with the objective of minimizing warehouse costs and to reduce inventory-carrying costs. nAL successfully implemented the ITM program and partnered with the client to develop a total solution that addressed their entire supply chain.

Custom services provided to the client include:

- Warehouse management at twenty four locations
- Specialized transportation full-service delivery services
- Line haul transportation
- Transportation management
- Centralized customer service support
- Coordinate and use multiple service providers for many distribution processes
- Develop and use cost effective solutions for various distribution projects
- IT services, systems and system integration

**The result:** The client benefited from nAL's ITM program and services by:

- Minimizing the number of service providers involved in the total supply chain process to four
- Developing continuous improvement of lead times
- Improving overall distribution quality
- Improving on-time delivery performance
- Integrating the distribution from relevant client-operated units into an uninterrupted, stockless, physical flow from their internal suppliers and external OEM suppliers direct to site
- Reducing requirements for permanent warehouses through the ITM concept

These successful efforts led to nAL's selection in 2000 as the client's Designated Service Providers (DSP) in the North America markets, working in sync with the three other global DSP to provide a seamless distribution solution that moves products from multiple client-operated flow centers worldwide and the United States to the client's customers in all of North America.