



case study

UPS Fills Samsung's Prescription for Efficient and Cost Effective Shipping

Samsung America Healthcare

Client Challenge

Samsung America Healthcare products supplies digital blood pressure monitors, digital and infrared thermometers and nebulizers to well-known, United States-based retail drug store chains, as well as mass merchandisers. They once used various freight forwarders and customs brokers to manage delivery of these healthcare products from Asia to locations across the United States.

“Feeling the pressure from major retail accounts to become more efficient and contain costs put a continuous strain on our staff,” said Jack Woo, Samsung America’s director of business development. “With the help of UPS Supply Chain Solutions, Samsung America Healthcare reduced erratic freight costs, cured inconsistent tariff classification woes and managed multiple providers of products half a world away.”

“Knowing exactly where our shipments were through UPS Flex® Global View enabled us to plan ahead and provide better service to our customers,” said Woo. Fortunately for Samsung America Healthcare, UPS Supply Chain Solutions not only had a treatment for Samsung’s supply chain symptoms, but also provided an actual cure for what was ailing it.

The Solution: The Prescription That Made It All Better

By consolidating various processes associated with ocean and air freight shipments, customs brokerage and ground delivery, UPS Supply Chain Solutions created an integrated multi-modal process. The result was a streamlined product flow, consistent

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THE CHALLENGE

Meet the directive of its United States-based retail customers to increase efficiency, contain freight cost, cure inconsistent tariff classifications and manage multiple suppliers located in Asia.

THE SOLUTION

Consolidation of processes associated with ocean and air freight shipments, customs brokerage and ground delivery which resulted in an integrated multi-modal process.

THE RESULTS

Streamlined product flow, established consistent and accurate customs classifications, reduced transit times, limited handoffs, streamlined accounts payable transactions achieved through consolidated billing.

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**— Jack Woo,
director of business development,
Samsung America**



and accurate customs classifications, reduced transit times, fewer handoff-related delays and a streamlined method for processing accounts payable transactions achieved through consolidated billing. However, one of the most important benefits was the improved visibility into Samsung America Healthcare's supply chain.

"We knew the long-term benefits, but were not 100 percent sure how the integration of total supply chain management would benefit us in the long-term so we entered into a six-month test. We were very satisfied with the outcome of the test and expanded it to other Samsung divisions," said Woo. UPS also provides parcel, international air and ocean freight, customs brokerage, domestic air freight, full and less-than-truckload and logistics consulting services to other Samsung divisions.

The Results: A Healthier Healthcare Device Supply Chain

Implementation of the solution resulted in an approximate 15 percent annual savings of supply chain-related costs. A reduction of between two to seven days, depending on the mode of transportation used to ship the freight, has been shaved off the transit time. The majority of the time reduction has been achieved due to the elimination of handoffs previously experienced when multiple providers were used.

