

  
**DS Smith**Plc

## Case Study: D S Smith Packaging

### Overview

Bibby Distribution and DS Smith Corrugated have worked in partnership since 2003. The operation, initially from a single site, has now more than doubled in size and now operates from 3 sites, one in Yorkshire and two in Lincolnshire. A close working relationship has been forged over the years with both parties focused upon continuous improvement, with particular emphasis on efficient vehicle utilisation to provide the optimum cost solution.

### Customer

DS Smith is an international Group with revenue in excess of £2 billion employing over 11,000 people in 18 countries. The Group has strong positions in many of the markets in which it operates and specialises in Paper, Packaging and Office Products. It is the market leader in the UK for waste paper recycling and the manufacture of corrugated packaging.

### Current situation

Bibby Distribution integrates closely with the operations and accounting systems of DS Smith factories based at Featherstone, Louth and Horncastle. They provide a range of logistics services that span inbound reel collections, raw material warehouse management and liaison with production planners to obtain the best available load fill for the delivery of finished product in customer liveried vehicles 'on time' and 'in full'. Profit share initiatives are in place to equally divide the derived benefits from well managed fuel usage and pallet recovery programmes.

  
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### Service Offering

- Collection of inbound reels
- Reel warehouse management
- Dynamic planning, coordinating with manufacturing output
- Operation of DS Smith's Witron ERP system
- UK wide distribution
- Dedicated/semi dedicated distribution fleet
- Custom made trailers to carry oversized product
- 24/7 365 day operation
- Order day 1 for delivery day 2
- Timed deliveries
- Profit Improvement Forum driving synergies between factories
- Pallet control and fuel efficiency profit share
- Extensive KPI pack

### Contract Evolution

- 2003 Initial 3 yr contract awarded with Featherstone factory and extended for 2 further years in 2006
- 2005 Scope of services extended to include all transport activity from Louth site.
- 2008 Renewal of Featherstone Contract
- 2008 Renewal of Louth Contract
- 2008 Introduction of Profit Share Initiatives across all sites
- 2008 Award of additional business from the Horncastle site.

  
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### Benefits

A long standing supply chain partnership which drives down cost, optimises service performance, adds value and reduces carbon emissions by:

- Challenging ordering patterns and driving down cost per pallet delivered
- Utilising the continuity & stability of a long term relationship
- Integrating inbound reels transportation with other Bibby Distribution transport to reduce empty running and significantly reduce cost
- Introducing a vehicle telematics system to optimise fuel efficiency
- Providing 'live' consignment delivery status via tracking system
- Reducing pallet costs by improving tracking systems, and improving reporting and asset management

### Testimonial

*"The extension of the contract sees a further strengthening and a deeper integration of Bibby into our logistics and supply chain. The partnership promotes a closer working relationship that is necessary to drive efficiencies and good customer service whilst generating opportunities to improve both company's carbon foot print and their impact on the environment."*

Steve Williamson, Operations Director, DS Smith Packaging