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Steve Terry, National Parts Manager, BMW Canada Inc.



Schenker Canada reduces vehicle down time for BMW Canada by 15%

CHALLENGE:

To meet its critical parts replacement needs for vehicle off road (VOR) situations at the dealer level, BMW was sending multiple individual shipments by courier from Germany to each dealer across Canada - a process that was costing the organization considerable money and time. As demands grew, it was evident that BMW needed a more effective system for fulfilling critical parts replacement orders.

SOLUTION:

In 2003, BMW and Schenker worked in tandem to pilot a new Dealer Direct model to significantly reduce parts delivery time, enhance customer service, and ultimately reduce costs. The new Critical Parts Replacement (CPR) Program was designed specifically for time sensitive fulfillment situations where the required part was not available in stock in Canada.

To facilitate frequent parts deliveries to multiple BMW group dealers across Canada, Schenker leveraged the existing international air freight system, as well as its own distribution network on the ground to consolidate parts deliveries at source, perform bulk customs clearance on arrival in Canada, and disperse parts to the respective destination points for door-to-door delivery to dealers.

According to Steve Terry, National Parts Manager, BMW Canada Inc., “Schenker provided a secure and reliable delivery program that allowed us to give our retailers the type of dependability they needed. We could also count on Schenker to provide the ‘extra step’ processes often not available elsewhere, from going out on the dock to physically check shipments, to arranging special trucking and deliveries.”

RESULTS:

With Schenker Canada’s CPR Program, BMW was able to consolidate dealer direct shipments into ‘one shipment’ and fly them next day to the Toronto distribution centre. This flexible network delivered real value to BMW Canada through faster, more reliable delivery of parts across the country.

By having one shipment, one freight invoice, and one customs clearance process versus managing individual shipments with separate freight charges and customs, BMW was able to cut delivery costs in half, as well as reduce vehicle downtime by as much as 15% through faster parts delivery.

The new program also allowed for a more proactive approach to “tracking and tracing” to ensure that BMW Canada and its dealer network were always aware of shipment status and delivery times.

“Schenker’s Critical Parts Replacement (CPR) Program enabled BMW Canada to dramatically improve customer service levels to our national dealer network,” added Susan Simmons, After Sales-Parts Customs and Traffic, BMW Canada Inc. “Schenker’s innovative transport solution contributed to our mandate of delivering BMW customers ‘The Ultimate Driving Experience’.”

The Results:

*Cutting dealer direct costs by 50%.
Reducing vehicle down time, delivering the parts
across Canada 15% faster .*