

# Freedom of choice

*Non-asset based objectivity stacks up well for Asia Pacific distribution*



## Challenge Summary

*As a global specialty chemicals manufacturer expands its operations throughout Asia Pacific the need for optimization of its supply chain services increases exponentially. This regional growth demands warehousing and distribution services in required locations that meet not only its own needs but those of its customers.*

## Services & Technologies Used

- Warehousing and reporting performance metrics
- Inventory management and visibility
- Export and Import Customs Clearance
- Freight Forwarding and Documentation
- Ocean Transportation
- Trucking
- Process Management and Audit

## Case Study: Chemtura Corporation - Asia Pacific

### Challenge

Chemtura Corporation began to increase distribution of its products throughout Asia Pacific in 2006. Experienced warehousing and distribution center services were vital to keep the company's supply chain at peak performance: maximum process control and visibility, as well as greater cost management and increased efficiencies.

Chemtura wanted a reliable resource that could manage all those factors. However, although warehouse facilities were available, those locations were not always situated in areas convenient to the manufacturer or its customers. Plus, the warehouse operators were not able to handle the entire scope of activities required.

### Solution

"That is where BDP really helped us," said Irene Chan, Chemtura's Logistics and Customer Care Director for Asia Pacific. "It was not simply a matter of working with a warehouse management company and utilizing their fixed locations. BDP's solution was different and fit our needs."

Through Crompton, the current Chemtura organization—a merger of Great Lakes and Crompton—had sourced freight forwarding services from BDP since 1998. "In Asia Pacific we began with BDP's Singapore office. We wanted to work with someone locally, who could connect us back to our manufacturing operations in the US," Chan said.

At the time Chemtura worked with three freight forwarders in the US for shipments from the US and Europe to Asia. BDP now works with Chan on all of the company's seven business units for their Asia Pacific operations.

### Location, location, location

When it came time to select a warehousing resource, Chemtura turned to BDP. Chan and her team chose BDP because, "they are not asset based and do not own warehouse facilities," Chan said. "Instead of Chemtura having to find a warehouse, sign a contract and then work with a freight forwarder or service

*"BDP's solution was different and fit our needs. We are now bringing product closer to the customer, which provides better control of shipments and inventory,"*

Irene Chan, Logistics and Customer Care Director - Chemtura Asia Pacific

provider, I can go directly to BDP and ask them to source a warehouse that is suitable for our needs and customers' needs."

To BDP, it is a matter of "warehousing where you want it." "Why should our clients have to use a facility that does not provide them with the convenience and flexibility they and their customers want?," said Tharin Walker, BDP's Global Chemical Sales Manager in Singapore.

*“BDP’s strength is to give you that support throughout the supply chain... they adapt to the customer’s requirements.”*

Irene Chan, Logistics and Customer Care Director - Chemtura Asia Pacific

How does BDP go about selecting warehouse resources for clients?

“It depends first and foremost on the needs of the customer. By being non-asset based, we aren’t tied to any one location,” Walker said. “Some clients need chemical storage facilities, others need temperature-controlled, bonded, etc. One of the values we bring is the consolidation factor—Chemtura does not have to make a separate contract with the warehouse or manage their performance; they can rely on BDP, a single-source provider. We can help reduce lead times and increase customer satisfaction and retention.”

“At the end of the day BDP is accountable for the performance of the warehouse and oversee warehouse resources,” Chan said. “This gives us autonomy.”

### **Close cooperation**

Placing inventory stocking points closer to buyers is always appreciated by the buyers. However, convenience has a price: more inventory locations = faster delivery = higher logistics cost. The right balance needs to be found. “That is where working closely with the customer pays off,” Walker said.

For Chan, “We began with BDP’s services in Singapore and became very comfortable with them. They know Asia Pacific very well. We saw they have the capability to manage our warehouse operations. So we are now using the same model in Taiwan and China, and eventually in Australia.”

BDP manages two warehouses in Singapore; one is for chemicals and HazMat cargo (IMDG), one for chemicals and general cargo (Non-IMDG). Both are used for Chemtura products. In Taiwan, BDP manages a bulk shore tank storage and

distribution center for Chemtura’s petroleum additives business unit, which handles 5,000 metric tons of material. Chemtura also uses BDP in Shanghai for warehousing and distribution.

“This is not only good for Chemtura but also for our customers in the Asia Pacific region. We are now bringing product closer to the customer, which provides better control of shipments and inventory,” Chan added. “We want to leverage that volume and expand to other businesses within Chemtura and eventually develop a true distribution center to service greater China or even the whole Asia Pacific. This would be managed by BDP—in terms of storage and also helping us execute shipments from the center to all countries within Asia.”

BDP turns shipments around quickly because a lot of Chemtura’s inventory is in Asia. Product can arrive in Singapore from the US and be ready for re-export to other locations in the region within just a few days.

A key component of Chemtura’s warehouse management services is BDP’s portal, BDPSmart, which gives customers visibility from production through to consumption, providing control over procurement, shipments, inventory and customer service.

“BDP’s technology is transparent to us. They provide track and trace using a web-based access,” Chan said. “We can go online anytime and monitor our shipments.”

“Chemtura can see the current status of their inventory,” Walker said.” The BDPSmart technology gives the client not only cargo visibility but also visibility for every milestone in their International Order Execution process.”

### **Helping hand**

“BDP’s strength is to give you that support throughout the supply chain,” Chan said. “If there is a problem or issue at any step in the supply chain, BDP will

help find a solution—they adapt to the customer’s requirements. Their mindset and attitude are different.

“Providing solutions is a priority for me. I ask potential resources, ‘How can you help my company optimize the cost?’ I am not asking for low cost. I am asking for the optimization—the value—I am paying for.”

### **How Chemtura benefits from working with BDP**

Chemtura Corporation is a global specialty chemicals company with leading positions in diversified markets, such as plastic additives, including flame retardants, pool and spa products, seed treatment and miticides in the agricultural market. The US-based company is the largest component supplier to the lubricants industry and a producer of urethane polymers.

- Greater shipment visibility by providing snapshot of the supply chain
- Enhanced cargo tracking technology
- Streamlined processes
- Streamlined logistics management eliminates hassles and reduces cost
- Customs clearance expertise speeds importing process
- Proactive planning
- Strong customer-supplier relationship
- Management of critical resources to reduce risk



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