

## EXECUTIVE SUMMARY

Our client, a Spanish engineering company specializing in the design and construction of "turnkey" projects in the area of materials handling and mining, was awarded a contract to build part of a new \$610M direct reduction plant in Texas (USA).

The client, with no past experience in the United States market, was in need of a trusted and knowledgeable partner able to meet the high quality requirements of the project to manage their supply chain at the best possible cost.

## PROJECT SCOPE

OpTech was the single point of contact responsible for the management of the whole supply chain, as well as other supporting activities needed to complete the project on time with success.

## SOURCING:

- Analysis of customer's materials, vendors, prices and volumes.
- Emphasis on entire life-cycle of products vs. just initial purchase prices.
- Both USA and Mexico markets researched.
- Several suppliers studied to achieve high quality, reliability, short lead times, and cooperative actions.
- Excess of demand in USA (due to Eagle Ford Shale boom) and lower labor and production costs in Mexico led us to Mexico to cut operating expenses.
- Workshops surveys designed and completed based on customer's most critical needs.

## PROCUREMENT:

- Supplier vetting and cost optimization.
- Final selection with customer's approval.

## LOGISTICS:

- Delivery process designed and developed for each specific Mexican supplier based on their capabilities.
- Synchronization between each supplier's production and receipt schedule at jobsite.
- Control Tower and Transportation of the materials door-to-door.
- Mexican and U.S. ground transportation.
- Border crossing.
- Storage (in both Mexico and US) of materials that need to be held due to several factors.
- International Ocean transportation from Europe (Spain, Greece, England, Belgium, Austria...)
- Action plan designed for non-conforming materials.



**CHALLENGE #1 – CUSTOMER’S LACK OF EXPERIENCE IN THE US MARKET**

Considering that this was the first contract in the US for the Spanish multinational company, they didn't have any kind of experience or knowledge in the market and business culture of the Americas. The successful +13 years of experience in Mexico combined with the +25 years of experience in the US market were a powerful differentiator for OpTech.

**CHALLENGE #2 – VOLUME, FREQUENCY AND PACE OF MULTIPLE KIND OF SHIPMENTS**

One of the biggest fears of the customer were the aggressive deadlines required by the project, which were loaded with high penalties in case of non-compliance. The perfect synchronization of several shipments departing from different countries at the same time, in a high pace, were put in place by OpTech to assure the smoothest transit and Just-In-Time deliveries with 24/7 visibility.

**CHALLENGE #3 – SEVERAL HIGH LEVEL ACTIVITIES TAKING PLACE AT THE SAME TIME**

OpTech provided the customer with a single point of contact for all logistics operations: Picking up the materials from dozens of suppliers in several countries, consolidation of the goods to achieve the most efficient shipments, trans-loading the merchandise in different ports, brokerage of the items filling the proper codes for several different kinds of materials, border crossing and importation of the goods, and final delivery. OpTech deployed several teams with different expertise in order to deliver a door-to-door solution from a single point of contact for different kinds of shipments.

**CHALLENGE #4 – COMBINATION OF SPECIALIZED AND TRADITIONAL TRANSPORTATION**

OpTech provided the experience and capacity needed by the customer to manage a combination of heavy hauls, oversized, truckloads, LTL, break bulks, multimodal and intermodal transport services safely, reliably and on-time, every time within different countries and with different regulations required.

**OUTCOME**

By developing a successful strategy, OpTech was able to provide best-in-class solutions that met our customer’s logistics needs in two different continents, from a single point of contact, and in a just-in-time fashion. Through proven capabilities and experience OpTech utilized its resources in the most efficient way, resulting in a significant decrease of the costs initially estimated by the client, and making this project a new success in their international portfolio.

