



Case Study

# STRATEGIC PARTNERSHIP

True business partnership helps keep Owens Corning's evolving supply chain in the pink for more than 20 years

Industrial

## Challenge

Move beyond a transactional relationship to become a true strategic business partner

## Solution

- Execute flawlessly
- Continuously improve
- Build trust
- Bring new solutions and capabilities to the table
- Leverage synergies

## Results

↓ Order fulfillment time

↓ Transportation and distribution costs

↑ Product sales

↑ Customer service

↑ Ease of market entry

In 1988, Owens Corning celebrated its 50th anniversary. That year it also contracted with Exel for logistics services, beginning a lasting partnership. Owens Corning is the leading home building products company and world's top producer of glass fiber materials used in composites. For more than 20 years, the company has looked to Exel to be its logistics partner. During this time, Exel has helped innovate solutions, scale services and protect Owens Corning from supply chain risks as the manufacturer launched new products, expanded into global markets, and reached new industry sectors.

### → The Challenge

In 1988, manufacturers were just beginning to outsource supply chain services to third party logistics companies, which then were a new breed. Riding the first wave of this trend, Owens Corning began working with Exel to consolidate a network of small, locally owned facilities in Hebron, Ohio, into a centralized warehousing and distribution facility for the Midwest Region, with Exel managing the warehousing.

At the time, Exel was considered a vendor providing a transactional service. But to best serve Owens Corning's long-term logistics needs as the scope and geography of its business grew, Exel would need to become a true strategic business partner.

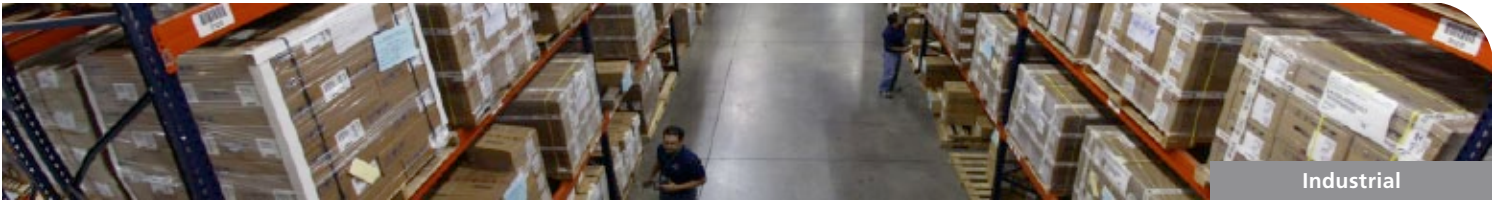
### → The Solution

The Exel team immediately focused on executing flawlessly on the basics, and worked with Owens Corning to establish open lines of communication to understand its needs and business challenges. Owens Corning and Exel implemented a continuous improvement program early on, which identified opportunities for more efficient logistics processes. These efficiencies, combined with operational successes, also helped Exel expand its scope of services to include inbound transportation, finished goods packaging and distribution, and other needs-based value add services.

As Exel's services brought increasing value and helped build trust with Owens Corning, the manufacturer began sharing its business strategy and objectives with its logistics partner. "Communicating and sharing needs is best for both companies," explained Vince Peters, Exel's vice president for the industrial industry. "We learn from our customers. Owens Corning shares information with us, which makes us a better logistics provider. This process has provided the insight that — coupled with growth in Exel's expertise, service offering and global reach — has enabled us to help Owens Corning successfully enter new markets and expand into new geographies, ultimately contributing to the manufacturer's revenue growth."

For example, in the 1990s, Owens Corning launched a basement wall-finishing product for contractors, a new market for the manufacturer. Introducing this new product with unconventional dimensions to a new audience proved to be a packaging, fulfillment and distribution challenge. Exel was able to provide a service outside the typical offerings of third party logistics companies to help get the product to market. It developed a novel packaging solution that both protected the product and increased storage and distribution efficiency.





#### Strategic Partnership

**“Working with Exel feels like working with an internal department rather than another company delivering a service. Its personnel communicate to provide insight and to find out how to become more engaged.”**

- Mike Cramer,  
director of logistics and  
customer operations,  
Owens Corning

#### → The Results

Over time, a close partnership developed between the two companies based on a shared vision. “It evolved from a simple transactional relationship, building a mutual trust to expand beyond warehousing,” explained Mike Cramer, Owens Corning’s director of logistics and customer operations. “Exel was active and engaged in the business and wouldn’t commit to something it couldn’t deliver.”

Results that have been delivered to Owens Corning during the evolution of this relationship include:

- Warehousing – Reduced order fulfillment times from nearly one week to 24 hours
- Inbound transportation – Reduced local transportation costs by 26 percent
- Packaging – Created solution so effective that Owens Corning adopted it as part of its finished goods manufacturing process
- New-product launch – Packaging/distribution solution helped product line achieve exponential growth
- Customer service – Developed a solution that improved direct-store delivery services to a mutual retail customer
- New market entry – Provided operational and market expertise to support distribution from a new manufacturing plant in Mexico to customers in the Southwest marketplace



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Raising expectations.

**A strategic business partner will innovate solutions, provide scalable services and leverage synergies that help its customer develop new markets, enter new geographies and grow its bottom line.**

**Contact Exel today to engage a true supply chain partner to help grow your business.**