

A DIMERCO CASE STUDY:

Tech start-up, Framework Computer, partners with Dimerco Contract Logistics to support rapid launch



 framework

Summary

When you're a start-up company with huge, pent-up demand for your products globally – even before the brand launches – you better have a distribution operation that can keep up.

Challenge

Framework builds planet-friendly laptop computers designed to be easy to upgrade, customize and repair. Before the direct-to-consumer brand launched, there was already big demand for its products globally, so the company sought a third-party logistics partner (3PL) that could ramp up quickly to support this global growth. After a competitive bid process, Dimerco was chosen to handle order fulfillment to consumers in North America, Europe and a growing number of other countries from one of the 3PL's Taiwan distribution centers.

Approach

There were several keys to success for Framework's distribution solution.

Rapid implementation.

Fulfillment from Dimerco's Taiwan warehouse began with service to countries across the EU and Great Britain and, over the next 8 months, expanded seamlessly to include the U.S., Canada and Australia.

"The Dimerco team moved fast, ramping up both space and labor as needed," says Lauren Mitchell, Framework's Head of Logistics. "They are the right size partner for us – large enough to handle our significant requirements, but not so large that bureaucracy slows them down."

Strategic location.

Framework made a strategic decision early on to move most of its manufacturing from Mainland China to Taiwan, so Dimerco's bonded warehouse

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near Taiwan's main airport and seaport became an ideal location. Says Mitchell, "Dimerco's location near our factory allows us to hold less inventory, reduce the number of touch points between factory and consumer, and shrink lead times. Products can ship as early as two days after they are made."

Deferral of duty payments.

Framework might have 20 weeks of supply on certain parts. Dimerco's location within a Foreign Trade Zone (FTZ) allows the company to purchase this inventory and store it duty and tax free until it is sold and shipped out. "For a new company, that cash flow advantage is huge," says Mitchell.

Streamlined customs clearance.

Framework ships to many different countries, each of which has unique customs and regulatory requirements. Dimerco helps Framework navigate these nuances to ensure a smooth customs clearance process.

Strong inventory management practices.

Products are scanned at both inbound and outbound and tracked in Dimerco's WMS system to the serial number level, so Framework knows what products went into each box shipped. Having this data makes it easy for the company's customer service team to respond quickly and accurately to customer inquiries.

Efficient picking and packing.

Scanning technology in the warehouse supports an automated, paperless picking process that reduces order processing time more than 50% vs a manual process. And orders are more accurate since scans at the packout stage confirm that what is ordered is what ships.

RESULTS

- Supported **successful launch**.
- Scaled up labor and space to handle **triple the expected order volume**, post-launch.
- Maintained **>99% order picking accuracy** since go-live.
- Established **collaborative approach to managing change**, where Framework and Dimerco staff work as one integrated team to adjust as products and requirements change.

"As a fast-growing, venture-funded startup, we need an agile, scalable distribution operation. Dimerco was the perfect fit for us operationally and culturally, helping us to launch new products and then scaling up to support our steady growth."

Lauren Mitchell, Head of Logistics, Framework

