

A DIMERCO CASE STUDY:

Kingston-Dimerco Relationship Evolves from Freight Forwarder to Strategic Growth Partner



Summary

Finding a reliable freight forwarder for high-value, time-critical freight is hard. But sustaining a high-level of performance and trust over 20+ years is harder. Kingston and Dimerco Express Group have managed to do just that. .

Challenge

Kingston Technology is a leading global manufacturer of memory and storage solutions. With manufacturing centered in China and Taiwan, Kingston relies on trans-continental and intra-Asia air freight services to get products to customers fast. To do that effectively, the company needs reliable freight forwarding and logistics partners. But often those relationships are short-lived as providers become complacent and are replaced.

Dimerco has been a strategic freight forwarding partner for Kingston for over 2 decades. Dimerco manages multiple global shipments every day for Kingston via both air freight and ocean freight (LCL and FCL) from multiple destinations. In addition, Dimerco manages customs clearance and provides warehouse distribution services for Kingston out of Singapore.

“Dimerco helps us manage a busy global freight and logistics operation,” says Kingston’s Vice President of Procurement and Planning, Jason Liang. “After many years, the Dimerco team has become less of a supplier and more of a strategic partner – a seamless extension of Kingston’s operation.”

Approach

Five keys to success have allowed the Kingston-Dimerco partnership to remain strong over decades.



Key elements of Kingston-Dimerco partnership

Superb Operational Performance	No logistics relationship can survive unless SLAs are consistently met. Over the last 6 years on average, Dimerco's on-time performance on critical air freight shipments has been 97.7%. Says Liang, "Timely delivery is critical in our industry. We need partners to help us hit our promised delivery date to customers."
Freight Capacity at the Right Price	Kingston's Asia-centric supply chain relies on having reliable sources of freight capacity out of Asia. Dimerco is a Top 20 forwarder by volume with all major Asian airlines, including Air China, Cathay Pacific, China Airlines, Eva Air and Korean Air. Block space agreements with these carriers gives Kingston reliable capacity for ongoing & emergency freight. Favorable pricing helps Kingston manage its freight costs.
Flexibility	Through the years, Dimerco has adapted its processes to meet Kingston's unique operational requirements. For example, because security is such a concern for Kingston's high-value products, Dimerco adapts its process to allow freight to be picked up with relatively short notice.
Strategic Account Management Structure	Relationships, business and personal, succeed or fail based on communication. Dimerco's primary account manager for Kingston is at the company's LA-area headquarters every week, discussing issues with the transportation team. On a global basis, Dimerco's account management structure provides a round-the-clock response capability. Any issues raised at midnight by the Kingston's US team can be handled by Dimerco's Asia team in real time. Dimerco's control tower approach ensures a quick response to any issue, anytime, anywhere.
Supply Chain Know-How	Through the years, Dimerco's service to Kingston has expanded from management of air freight to ocean freight to warehousing to handling of Kingston's GST filings in Singapore. The relationship has evolved from simple freight management to strategic growth partner. For example, in Singapore Dimerco worked with the Inland Revenue Authority of Singapore to help Kingston: <ul style="list-style-type: none">• Seamlessly enter the Singapore market• Avoid the negative consequences of exchange rate gaps• Achieve Major Exporter status

RESULTS

"There is value in longer-term relationships where logistics partners understand the business as well as we do. When we encounter unexpected issues, Dimerco is quick to resolve them because they know us and our needs.

"Our ideal partner is one that combines that knowledge with a constant drive to innovate and drive value. We see that with Dimerco."

Jason Liang, VP, Procurement and Planning, Kingston

