

Case study: Cray Valley



TDG works with Cray Valley in Belgium, Spain and the UK

UK relationship paves the way for partnership opportunities in Spain

The client

Part of the chemicals branch of Total Group, Cray Valley is the second largest manufacturer of resins in the world, employing around 4,000 people and generating sales of over 2 billion euros per year (2005). Resins are used in the manufacture of a huge range of domestic and industrial products from paint to shower trays. Both resin and some of its component ingredients are classed as hazardous liquid chemicals and, as such, require careful and stringent processes to be adhered to when being transported or stored.

As a business, Cray Valley prides itself in its customer-oriented approach. Historically, it has kept many elements of its operation in-house in order to maintain control over integrity and service delivery. In recent years however, the business has adopted a core competency strategy, resulting in a drive to outsource some of its periphery activities to trusted third party specialists.

The situation

Cray Valley originally began its relationship with TDG in 1998 in

the UK. Now responsible for the transportation of liquid solvents into the Cray Valley Stallingborough factory, as well as the bulk transportation of a variety of resin products to customers around the country, TDG has built a strong working relationship with Cray Valley over the years.

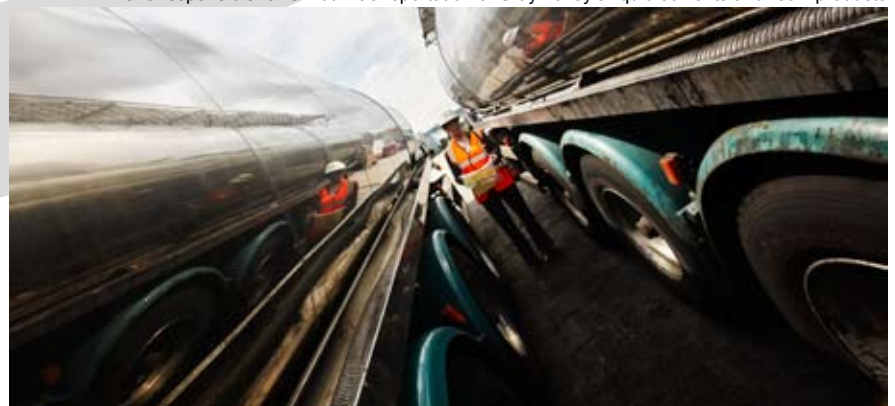
Working closely in partnership, the TDG team have enabled Cray Valley to significantly reduce the cost of their UK logistics operations in a number of ways. By operating under an open-book contract, careful load planning and assigning dedicated tankers to specific divisions; TDG has been able to increase efficiency and save money. The team has also been able to leverage load compatibility to the

maximum: resulting in lower tanker cleaning bills and zero contamination incidents.

In addition to the UK operation, Belgium based TDG Mond are also responsible for transporting Cray Valley finished goods from factories in Rieux and Gravigny in France to customer premises across Germany and Benelux. In 2006 alone, over 8 million KG of products were delivered with 99% service satisfaction levels.

Frequent, personalised communication plus transparency of dealings, are all key to the success of the Cray Valley relationship with TDG in the UK. So when TDG realised its new Spanish warehouse was situated right next door

TDG is responsible for UK bulk transportation of Cray Valley's liquid solvents and resin products



Case study: Cray Valley

to a Cray Valley storage facility, it made sense to investigate the commercial opportunities straight away.

“By ‘going the extra mile’ we have been able to achieve our goals and help Cray Valley achieve theirs. Our drive to find solutions and actively facilitate change on the ground level has further strengthened our client relationship in this case.”

Jason Hibbs,
European Sales & Marketing
Director, TDG

Finding ways to overcome obstacles

As a direct result of its UK relationship, TDG was aware of Cray Valley’s desire to withdraw from non-core activities. The Spanish warehouse in Fogars was being rented by Cray Valley to store up to 6,000 pallets of pre-packed product manufactured at its plant in nearby Sant Celoni. Conversely, TDG were relocating warehousing facilities from Barcelona to Fogars, and in the process were taking on significant additional capacity which was yet to be filled. The obvious step for both parties was to work together.

At a European level Cray Valley senior executives were already aware of TDG, and the high standard of service provision achieved in the UK. Having discussed terms, the decision was made to transfer responsibility for the Spanish storage facility across to TDG, thus freeing Cray Valley from its warehousing responsibility.

Unfortunately, there was one potential stumbling block: the Cray Valley warehouse rental contract still had 18 months left to run.

The solution

As both companies were renting space from the same landlord, TDG senior executives entered into joint representation negotiations and an early release agreement with mitigation of the remaining rent liability was successfully reached on behalf of Cray Valley. By achieving the long term strategic plan 18 months ahead of schedule, and agreeing competitive terms of business with TDG going forward, Cray Valley is predicting savings of over 500,000 euros per year.

From employee perspective, the changes made little difference. TDG took on all the Cray Valley warehouse staff, thus avoiding any redundancy issues as well as ensuring continuity of service was secured. Although now working under TDG contracts; benefit packages, pay and conditions for individual staff members have all remained the same.

“All credit is due to TDG who were quick to seize an opportunity which made sound commercial sense for both parties. TDG have already proved a capable and efficient logistics provider for Cray Valley – this solution has also shown them to be a fair and trusted business partner too.”

Thierry Ziegler,
Coatings European
Operations Director, Cray
Valley

About TDG

TDG is a major European logistics company with extensive experience in retail, FMCG, industrial and chemical markets.

TDG works to create value by aligning its customers’ supply chains to their business strategy. It works in partnership with clients to deliver strategic goals and the company’s success is linked to that of its customers.

Its expanding capabilities in end to end supply chain management and freight forwarding are complemented by the company’s strong operational skills in traditional logistics management.

It is focussed on developing business in the areas of speciality chemicals, paper and packaging and temperature controlled services where it can offer capability, flexibility and improved service. Equally, the company remains committed to supporting and growing its traditional customer base so they continue to recognise TDG as a top tier performer.

TDG has a reputation for excellence in health and safety, continuous improvement and change management. They are active in six countries across Europe.

TDG

Contact us to find out how we can release value from your supply chain

T: +44 (0) 800 0288 834

E: businessenquiries@tdg.co.uk