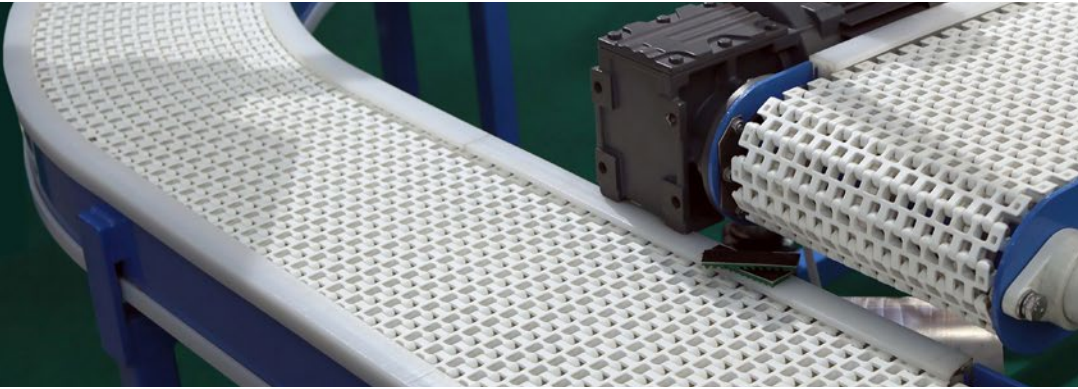


## CASE STUDY

Rubber products manufacturer uses **Kanban FTZ** to improve cash flow and provide just-in-time supply to customers

**KANBAN**  
LOGISTICS

**FOREIGN**  
TRADE ZONE



## SITUATION

This major manufacturer makes rubber products for a wide range of uses, including supermarket check-out counters, package handling, and exercise equipment. The company imports raw material from overseas into the port in Norfolk, VA. They wanted to stage this raw material at a warehouse close to key manufacturing sites in Eastern NC – ideally a warehouse with foreign trade zone (FTZ) status. Kanban Logistics fit the bill on all fronts and the companies have enjoyed a successful partnership since 2008.

## STRATEGY

**Leverage FTZ advantages to improve cash flow.** Kanban stores material in its general purpose FTZ in Eastern NC. Since FTZs are considered outside U.S. Customs territory, there can be an immediate movement of goods to Kanban's FTZ, delaying the payment of Customs duty and excise taxes until the product leaves the facility.

**Deliver just in time.** Kanban offers same-day delivery to material requests, enabling a just-in-time solution that eliminates space requirements at the factory for raw material storage.

**Use Kanban customer service resources** to reduce administrative time. On the customer's behalf, Kanban handles filing of monthly FTZ 214 documents with U.S. Customs and Border Protection.

**Utilize flexible workforce.** To support unplanned activity spikes, Kanban can recruit trained workers at a moment's notice since four other Kanban warehouses are located very close to the FTZ. This enables a very responsive inbound logistics solution without the need for outside temporary labor.

## SUCCESS

"In our business, communication between production and our raw materials warehouse is critical. Kanban is extremely responsive. Most times they get back to us in five minutes or less. They also proactively alert us to any issues with inbound material flow so we can develop contingency plans."

JUST IN TIME **SOLUTIONS**

**KANBAN LOGISTICS**

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