



SERVICE PROVIDER MANAGEMENT

CASE STUDY

A large Oil and Energy customer contacted the Expeditors Houston office regarding the transportation of a Telescopic Joint (TJ) to Korea for installation on an oil platform. The customer's business model covers the very intrinsic arena of the Oil and Gas industry from upstream (drilling and exploration) through the downstream activities. Their supplier network is global as is their client base which offers unique logistical challenges when adhering to tight production and delivery schedules.



OPPORTUNITY

The sheer size of this shipment (1093" L x 76" W x 80" H and 94,535 lbs) was the challenge in itself. Historically Telescopic Joints have been moved via ocean however, this mode of transportation would not work due to transit time and available vessels. In extreme cases air charter is recommended, but because of market capacity and the customer's request for a cost effective solution, air charter wasn't a possibility either. Moving the Telescopic Joint via road would also require some ingenuity do to road limitations and overall safety.

OUR SOLUTION

By utilizing our existing relationships with various air carriers, the Houston Project Cargo team collaborated with the Houston Air Export group and proposed a commercial airfreight option as a more cost effective solution that would also meet our customer's delivery date.

The Houston and Pusan teams also made use of existing service provider relationships to employ dedicated trucks and barges to ensure final delivery of the Telescopic Joint.



THE RESULTS

The customer selected Expeditors based on the detailed proposal which included creative options and door to door pricing from the customer's facility to consignee's door in Ulsan Korea.

Getting the Telescopic Joint from our customer's facility in Houston to the Dallas/Fort Worth airport required us to employ a specialized eight axle trailer to transport.

At the airport, Expeditors worked closely with the airline on the technical aspects of the move along with adhering to their packing requirements. The airline also needed approval from Boeing engineers in order to safely move the Telescopic Joint on their aircraft, due to the increased weight of the airline packing requirements. The packaging greatly added to the size of the move with the final weight being 114,300lbs and the final dimensions being 1097" length x 98" width x 78" height.

Once the Telescopic Joint landed in Korea, the Expeditors Pusan team was challenged with the task of final delivery. Due to the size of the cargo, delivery via road freight was not an option. The specialized truck had to be driven onto a barge for final delivery to the shipyard.

The fact that the Project Cargo team was able to come up with a more "production schedule-friendly" method of transportation, left a lasting impression on this customer. Historically pieces like this have only been moved via ocean or in extreme cases air charter which offer a tight supply and demand characteristic of their own. Working this in to the regularly scheduled commercial aircraft provided an approximate cost savings of \$250,000 compared to the air charter option and provided our customer flexibility in an otherwise inflexible segment of their supply chain.