

## Electronics Packaging Case Study



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*Implementing custom assembly and packaging for a CD and DVD manufacturer.*

## **Background**

A major player in the entertainment industry uses sophisticated automated equipment for its high-volume, bulk manufacturing and packaging of CDs and DVDs. However, some of its clients' products require custom assembly of components in the package process.

## **Challenge**

As a result, this manufacturer projected a higher-than-normal need for hand assembled products and sought suppliers outside its local geographic area to meet their needs. The company is sensitive to draining the local temporary labor force and wanted to draw from a larger metropolitan pool.

## **Why MD Logistics is the Solution**

MD Logistics was offered the opportunity to bid on a two-year commitment for hand packaging CDs and DVDs and their respective components.

MD Logistics committed to a six-month capital investment in excess of \$1.5 million, including 40,000 square feet of operating space, four high-speed, high-volume shrink wrap machines and heat tunnels, skilled supervisory and temporary labor resources, and packaging supplies.

## **Results**

Forty days after a firm client commitment, MD Logistics was fully staffed and operational. They were able to meet demand that required two to three eight-hour shifts per day, seven days per week, to manage hand pack and shrink wrap operations.

The hand pack work is the engineered, systematic assembly of various components including a titled CD and /or DVD and associated labels, instructional booklets, artwork, and cases into consumer-ready products. The components for the hand pack projects range in number per the client's "job instructions." The MD Logistics team has assembled DVD units with as many as eleven different sets of disks, artwork, booklets, and labels.

The assembled units are then packaged in various combinations of inner cartons, shipper cartons and unit quantities, and then palletized according to predetermined patterns. The completed pallets are then shipped to the client's distribution centers around the country.

All processes throughout the operation are documented by internal quality teams at various checkpoints from component receipt to shipping.

MD Logistics processes up to 192,000 consumer-ready units per day, depending upon the complexity of the engineered standards for production and/or the number of components required to complete a job.

## **Benefits to the Client**

### *Maximizing space utilization*

According to the purchasing manager for the manufacturer, MD Logistics' hand assembly accomplished the necessary work for which the manufacturer would have to use highly productive space dedicated to high speed, automated manufacturing. "We could do the elements of hand pack which MD Logistics does at the same or less cost," he said. "However, we would have to sacrifice highly productive space within our own walls, which is better utilized as high-speed automated manufacturing."

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