C O P Y

PROJECT ASSIGNMENT

At the request of Mr. R. M. Burns, a study of the existing freight rate structure and total freight cost picture was to be made of the Smith & Kanzler facility at Linden, New Jersey. Raw material transportation costs were to be analyzed also outbound finished product costs.

The results of this study were to be compared with transportation costs resulting from the possible movement of the plant to the Elgin, Illinois area. All inbound and outbound shipments were to be checked with the exception of "SPRAYCRAFT" and its' raw material components.

Method of Analysis

Inbound Raw Materials - All Accounts Payable invoices were checked for freight chargebacks, dedutions or equalizations. All freight bills from carriers were then checked for raw material application.

Outbound Finished Products - All Accounts Receivable invoices were checked for proper product applicability also all outbound Bills of Lading and Freight Bills.

The period checked was September 1, 1966 thru August 31, 1967.

Conclusion

From a TRANSPORTATION standpoint, it appears that the movement of this plant from Linden, New Jersey to Elgin, Illinois is economically feasible. The greatest portion of savings involve direct deliveries to three major Chicago accounts; Grant-Wilson Company, Harnisch Company, and Victor Divisions-Dana Corporation. The survey indicates savings based on the utilization of private trucking, either by the Victor Division or by the Smith & Kanzler Company, under a normal delivery arrangement, of at least $34,000 annually.

Traffic Study made by L. Daknis and R. Kessler -

Victor Divisions-Dana Corporation
Traffic Department

VPD-158-0000795

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