NU SKIN IN NEW TERRITORIES
RAMPING UP SALES IN THE ASIA PACIFIC

UPS enhances end-customer experience for global personal-care giant

Headquartered in Utah, U.S., Nu Skin Enterprises was established in 1984 as a direct selling company specialising in premium anti-aging personal care and nutritional products. Over the years, Nu Skin quickly evolved into a global enterprise that generates over two billion US dollars in annual revenue. Its successful expansion is testimony to a critical eye for sound business opportunities across the globe.

As the level of education and purchasing power continue to increase, Asia Pacific is one of the fastest growing markets for personal care products. Nu Skin’s goal was to capture the growth of its dynamic Asia Pacific customers. The savvy Asia Pacific consumers of today expect products of high quality and efficacy but are also eager to receive them promptly.

With a business model that uses a wide network of active distributors and loyal preferred customers, Nu Skin needed a solution to swiftly distribute its premium products throughout Asia Pacific. Prior to working with UPS, Nu Skin was shipping products in bulk directly to local market distribution centres from the U.S. This meant high inventory holding costs in the U.S., long lead times for inventory replenishment, high costs for expedited shipments, potential shortfalls of fast-selling products, limited access to Asian distributors and end-customers in Asia waiting longer than necessary for their orders.

CHALLENGES
Nu Skin’s long shipping lead times and occasional product shortfalls meant Nu Skin’s savvy Asia Pacific customers were not always getting the products they wanted on time.

SOLUTIONS
UPS selected Singapore as the Asia regional distribution hub for Nu Skin for its strategic location in the heart of Asia, coupled with postponement and kitting activities to lower inventory holding costs. This shortened order turnaround times from 30–45 days, to 7–10 days in the Southeast Asia region.
RESULTS
With UPS Contract Logistics solutions and UPS Ocean Freight, Nu Skin benefitted through improved inventory flow, enabling their customers to receive their orders on time.

Other benefits include:
• Lowered inventory investment as a result of the shorter transit times
• Reduction in freight expenses due to close proximity of regional distribution centre to customers in Asia
• Enabled business growth through enhanced customer service due to improved inventory flexibility

UPS OFFERS SCALABLE SOLUTIONS AND UNPARALLELED REACH IN ASIA

“Nu Skin rates success as the ability to reduce overall total global logistics cost, improve global inventory turns and improve in-stock service levels – the end goal is to ensure our customer orders are quickly and accurately delivered,” says Brad Morris, Vice President of Global Logistics and Fulfillment at Nu Skin, Inc.

With Nu Skin’s core objectives in mind, UPS chose Singapore as the home base for Nu Skin’s new distribution centre in Asia. Situated in a 316,000 square feet multi-client facility, Nu Skin is able to tap into Singapore’s intra-Asia network and well developed logistics infrastructure. This location’s expandable space and easy access across multiple markets in Asia Pacific allows Nu Skin the flexibility of scaling up their operations to match business growth in the future.

Growth Does Not Stop There

Nu Skin has plans to further penetrate the Southeast Asia market and to launch new products in 2013 into the Asia region.

“UPS has been a valuable partner to Nu Skin over the past four years. They were flexible, accommodated our needs, and provided valuable advice with regulatory and government concerns.” says Morris. “Their team and solutions were instrumental in successful product launches and in achieving service improvement and cost savings. We look forward to more success as we expand the role of the UPS Singapore facility and partnership.”

“UPS provides an integrated transportation solution, seamless connectivity and visibility from the distribution centre.” says Edwin Yeong, Supply Chain and Healthcare Logistics senior manager of UPS Singapore. “UPS Ocean Freight LCL services cost-effectively distributed products from Singapore to important markets in Asia. Nu Skin was ultimately able to improve service levels to their customers and further penetrate into the Asia market.”

Within the regional distribution centre, UPS helps Nu Skin accomplish lower inventory holding costs by performing kitting and postponement services. Products are packed into the bundles according to the specific requirements of each market. On average, 20,000 kits are processed each month. Through the use of Ocean Freight LCL intra-Asia services, Nu Skin’s distribution turnaround time from Singapore to countries in the region was significantly reduced, from 45 days, to about 7 to 10 days.

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