



**A new centralized, focused Load Control Center drives a very business-oriented, goal-driven TMS for our client, configured to manage over \$90 million of transportation services, with real-time visibility, electronic communications, and annual savings projected to be \$1.5 million the first year and \$500K each year thereafter.**

**SS066:**

Industrial Parts Manufacturer

## LOAD CONTROL CENTER DRIVES BIG SAVINGS

This Plan4Demand client manufactures and distributes energy storage devices: batteries — over three billion dollar's worth of batteries, for cars, boats, motorcycles, and industrial emergency power supplies, delivered to each local consumer outlet. The firm also collects “junk” batteries from consumers on trade-ins, recycling lead at its smelters, regrinding plastic parts, and shipping refurbished material back to their manufacturing plants.

This makes for a far-ranging, complex distribution and collection network, all throughout the United States. And you can add to that mix: purchased inbound materials; line hauls between plants to balance inventories of specific products; and local store deliveries from 67 branches all over the U.S., practically on a daily basis. The total exceeds 200,000 freight movements annually, with a cost of \$165 million, comprising practically every mode of shipment: from rail to truckload, LTL, package, and even air freight. Local deliveries and some other loads travel on private equipment, but the majority of truckload shipments are handled by common carriers.

Our client had already been using a Transportation Management System (TMS), but in their initial implementation the scope was overly ambitious, trying to plan every single order, from each shipment of lead down to every customer delivery. Luckily, management realized that their problems were not with the tool, which was a good one, and they decided to partner with Plan4Demand to evaluate the TMS program as it had been conceived to plan a more effective process approach.

### PARTNERING WITH PLAN4DEMAND FOR RESULTS

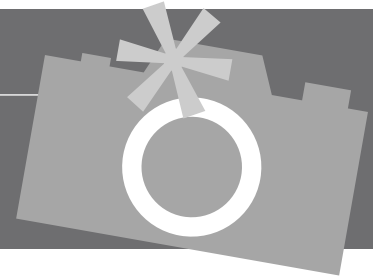
Plan4Demand focused on our client's business goals, assessing what was working well already compared with what processes and software functionality was lacking. These became the project's goals for improvement:

- Provide automated, reliable selection of the lowest-cost carrier where a choice was appropriate, not for local deliveries
- Get better visibility of all truckload shipments, inbound and outbound, whether own fleet or common carrier
- Plan continuous moves, creating backhauls for our client's own fleet as well as for common carriers, securing lower rates in return
- Automate the tendering process through EDI and Web functionality to speed up the planning cycle

## Solution Snapshot

**Problem:** With a \$150 million dollar transport network to manage, our client implemented a TMS system two years ago but faced MAJOR problems when their plain-vanilla implementation fell short.

**Solution:** Based on P4D's blend of technology experience AND deep process expertise, business leaders contracted our consultants to customize the TMS system to better suit their business.



### NEW PROJECT MAPS A NEW AND IMPROVED PROCESS

A new project was conceived, with a joint team from both our client and Plan4Demand to reimplement the TMS. A Load Control Center (LCC) was created to oversee responsibility for planning all truckload shipments, and inbound, outbound, and inter-plant transfers; this enables the most efficient planning of round-trips, or “continuous moves” of all types that provide multi-leg shipments.

Local store deliveries will continue to be planned at the local level, whether DC or branch, based on the specific equipment requirements and the resource availability of our client's fleet trucks and vans. These routes are relatively static, evolving over time, and best controlled locally. There is no value added by planning them centrally and remotely in the LCC.

In Phase 1, our joint project team carefully analyzed and mapped the most efficient to-be process. In Phase 2, the team reconfigured the TMS system, provided user and carrier training, built new and altered system interfaces, and thoroughly tested every step of the way, to launch the rollout process. In Phase 3, a custom inbound planning screen for outside purchases was launched, and the rollout process was completed. Once the system was migrated to production, it was primed for success.

### THE LOAD CONTROL CENTER GETS A CLEAR MANDATE

The Load Control Center now has the tools it needs and a new, clear mandate: to bring value where it has the visibility and power to plan; to manage carriers and create the most effective continuous moves; and to stay out of activity where it cannot add value.

**Completed on schedule and within budget, the phased go-live events barely created a blip on the business radar screen, except that now loads were planned, tendered, and ready to roll in just a few hours, instead of days. Users create their orders and trips in the J.D. Edwards ERP system, and within hours they can query those same orders and trips to review carrier assignment and shipment status, planned in the TMS, integrated back to JDE.**

The savings expected from a very modest assessment of the potential for expanding the use of continuous moves is about **\$1.5 million dollars** in the first year of operation. **Additional savings of at least half a million dollars can be expected from automated carrier selection**, based on lowest total cost to serve. And after the system has gathered data for several months, our client will be in a dominant position, armed with the data of their past moves, by lane, to rebid their business with existing carriers and to develop new ones as well.

**Plan4Demand** is a consulting services firm that helps Global 500 corporations and mid-market companies increase profitability and reduce operating costs by maximizing efficiencies across their supply chains.



#### People—Process—Technology

By first collaborating with your **people**, we jointly determine the best ways to optimize your **process** requirements. Only then do we move forward with the right **technology** to help you achieve your bottom-line goals.

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Global Supply Chain Specialists

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