

TRANSPORTATION MANAGEMENT

Transportation solution helps a leading premium beverage company raise the bar on service

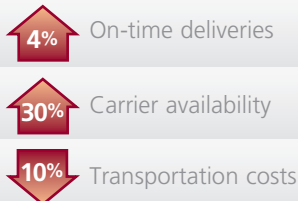
Challenge

Deliver 'premium' levels of service and product availability
Reduce overall transportation costs
Support North American sales goals

Solution

Consolidate beverage networks
Create a centralized transportation hub
Integrate warehouse, transportation and enterprise planning systems

Results



Purchasers of high-end products expect exceptional service. Provide great service, and increased sales are sure to follow.

For one premium beverage company with a portfolio including spirits, wine and beer brands, great service starts with having the right products on the shelves at the right time. That takes more than just a focus on consumers' expectations. In the high-opportunity North American region, it takes consistent, reliable service to distributors, retailers and consumers to grow sales.

→ The Challenge

The company owns eight major spirits, wine and malt production facilities throughout North America and also imports popular beers and liqueurs from overseas. Wherever they're produced, though, all of the company's products are brought to market in the United States and Canada through 300 distributors.

Prior to engaging Exel, the company was shipping more than 90 million cases a year to this distributor base through two separate malt and spirits networks. While service levels to its distributors were acceptable, it could not leverage best practices, fully integrate systems or implement the consistent service measures it needed to continue to improve product availability and service levels.

With its premium brands and reputation for quality, the company needed to provide exceptional service by ensuring the products customers wanted most were on the shelves. An effective supply chain was critical to guaranteeing constant product availability.

→ The Solution

The beverage company needed a transportation management solution that set consistent service expectations for carriers, assured exceptional and timely service to distributors and retailers, and saved money. The team called on Exel to manage the transportation networks for both beer and spirits across North America. The first order of business was to create a Transportation Management Center that could serve as the nerve center for all transportation operations.

Strategically located on Exel's existing Northeast Campus in Pennsylvania, the transportation team was charged with managing orders from inception to delivery, selecting and scheduling carriers, auditing and paying carrier invoices and interacting with customer service and supply planning teams.

"The new team approach helped us immediately cut administrative costs and improve efficiency," said Ed Hahn, senior director, business development for Exel's Consumer business unit. "Labor-sharing strategies on the Campus allowed us to flex resources and hours of operation quickly in response to peak period demand increases."



Transportation Management

“Consolidating the spirits and beer networks created a single, consistent way of working with customer service and supply planning teams. The customer has more control over the delivery of its products, and that predictability helps reduce out-of-stocks and avoid disappointed customers.”

-Ed Hahn, senior director,
business development for Exel

Exel also implemented fully integrated warehouse management and transportation management systems with the customer’s enterprise resource planning system. The transportation management platform allowed Exel to perform a host of services in support of the customer, its distributors and carrier partners and allowed the transportation team to serve as a single point of contact for everything from shipment tracking to financial analyses.

The Exel-managed transportation network included a dedicated fleet for short-haul moves in the high-demand Northeast region and a base of 60 long-haul contract carriers. The solution also increased the mix of intermodal carriers to manage costs, increase capacity and limit fuel consumption.

→ The Results

As a result of Exel’s transportation solution, the customer went from good to great in service, increasing on-time deliveries from 94 percent to 98 percent. Centralizing transportation operations improved the company’s forecasting and planning accuracy, a key to securing the competitive rates of preferred carriers. Usage of preferred carriers increased to 85 percent within three years, a 30 percent improvement over program inception.

“Consolidating the spirits and beer networks created a single, consistent way of working with customer service and supply planning teams,” Hahn continued. “The customer has more control over the delivery of its products, and that predictability helps reduce out-of-stocks and avoid disappointed customers.”

The customer has also realized more than 10 percent savings due to transportation rate savings and the administrative efficiencies gained. Improved product availability has also helped the company achieve its sales goals in the United States and Canada, where it has consistently outperformed the spirits market.



Contact our
Consumer Industry Experts:
800.272.1052
consult.consumer@exel.com
www.exel.com

Raising expectations.

Supply chain assessments commonly focus on cost reduction opportunities. Setting service improvement goals is another way to get more business value from your transportation and warehousing solutions.

Contact Exel to learn more about our transportation management solutions.