



R&R PRODUCTS

Coming in under par

R&R Products averages 800 orders and 2,000 shipments per day via parcel and Less-than-Truckload (LTL) carriers out of their Arizona distribution center. In order to achieve its goal of shipping orders same day while managing rising carrier costs, R&R Products realized it needed to improve visibility and control over transportation and logistics processes throughout their enterprise, from purchasing to payment.

R&R Products' purchasing and order entry personnel lacked automated decision support for choosing the most cost-effective carrier service based on type of order, customer, product and destination. Instead, they used paper-based routing guides and rate charts to determine service and costs. This led to rating inaccuracies, excessive inbound and outbound transportation spend, and, more importantly, missed customer delivery expectations.

In shipping, R&R Products used multiple carrier-provided systems for processing parcels, and manually rated and prepared labels bills of lading for LTL shipments. Only one of their parcel systems was integrated with their IFS Enterprise Resource Planning (ERP) system, but this system lacked the ability to capture line item detail for shipment contents. International export document preparation was completely manual. These disparate and inconsistent processes impacted delivery commitments, quality, and training challenges.

Because R&R Products lacked centralized transportation cost accounting, their accounts payable department had a difficult time reconciling carrier invoices. They were unable to determine if the rates and accessorial charges were accurate, and they could not easily associate costs with specific orders or general ledger accounts.

A fragmented view of transportation activity made it difficult for customer service representatives (CSRs) to pinpoint order and shipment status, as much of this information was locked up in carrier systems or paper-based processes. CSRs manually researched order status in their ERP system and then correlated order to the carrier tracking number. When the tracking number was finally located, they re-keyed the number into the carrier web site and then forwarded the response to the customer.

COMPANY OVERVIEW

R&R Products, Inc. is a leading manufacturer of replacement parts for the commercial golf and turf industry. R&R Products' philosophy has always been to offer top quality products at attractive prices and to have items in stock at all times for immediate delivery. With a product line that has grown from less than 100 golf course accessories, replacement parts, irrigation, safety and tools in 1971, to over 18,000 parts today, R&R Products has kept pace with customer demand. R&R Products successfully controls costs with automated computer-controlled lathes, precision machinery, and laser cutting tools. Their service is second to none with lifetime warranties and by shipping 98% of all orders the same day they are received.

SITUATION SUMMARY

- Disparate transportation processes
- Excessive transportation spend
- Inefficiency, inconsistency
- Poor shipment status visibility
- Lack of transportation cost controls

KEY BENEFITS

- Reduced transportation costs by 3%
- Improved productivity
- Reduced errors
- Improved customer service
- Improved transportation visibility & control

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- Matt Neuhoff, GSP's Director of Operations

CAPABILITIES REQUIRED

To maintain their high level of service and support, R&R Products knew it was time to implement a single platform that could unify transportation information, processes, and people. They turned to Agile Pacific, an independent member of the Agile-Network, for help. Agile Pacific identified the following key system requirements:

1. One solution to enable visibility and control over transportation process and costs
2. Automate cost-effective routing and carrier service selection in purchasing, order entry, and shipping
3. Store all shipping transactions in a single database for improved tracking and cost accounting
4. Single connector to IFS ERP system to improve order -> shipment -> line item visibility
5. Ability to automate carrier invoice reconciliation

SOLUTION

Agile Pacific carefully reviewed R&R Products’ processes and designed a multi-carrier solution that meets all of R&R Products’ requirements.

Agile Pacific integrated the systems to R&R Products’ IFS ERP system. The interface is designed to handle automated parcel and LTL rating requests from purchasing and order entry. The system applies complex business and logistics rules based on type of order, customer, product, time-in-transit, and destination. This ensures that R&R Products meets their customer delivery expectations at the right price.

In shipping, Agile Pacific’s solution is able to randomly process 2,000 parcels and LTL shipments through a single system. Most days transactions can be processed all on a single workstation, greatly improving productivity. The new process is faster, simpler, and requires less training. Order information is quickly accessed

from IFS, and then cartons automatically weighed, rated, labelled, and documented according to parcel and LTL compliance rules. International export documents are properly generated.

When a shipment is completed, the shipping system updates IFS with shipping charges and confirms the shipment for billing purposes. An email message is automatically sent to notify the consignee of expected delivery date and time. All transactions are stored in a single database. CSRs are then able to track order and shipment status.

Best of all, Agile Pacific’s Looking Glass solution provides accounts payable with the ability to reconcile the expected shipping charge as calculated by the shipping system with actual charges imported from carrier invoices. This has enabled R&R Products to eliminate wasteful service selections, avoid accessorial charges, correct addresses, and otherwise improve internal processes to control transportation costs.

RESULT

GSP’s CFO, Chris Lattimer, reports that “AgileElite has enabled us to identify, measure and control transportation spending throughout the organization. Our billing department spends a fraction of the time reconciling carrier invoices. We are now implementing cost reduction policies that would have been impossible to enforce with all of the systems we used to have in place. I have one place to go to get a complete picture of transportation cost.”

“Agile really delivered. They not only have a lot of transportation expertise, but they were able to translate that into very practical solutions that wrap around our users’ requirements,” says Matt Neuhoff, Director of Operations. “This has helped us get immediate acceptance for the solution.”

For more information:
 Agile-Network Offices Nationwide
 Call toll-free: 866-686-AGILE
 Visit our website at:
www.agile-network.com