

MANAGING TRANSPORTATION

Unpredictable production cycles posed logistical challenges for a leading manufacturer. A comprehensive solution that improved its transportation flexibility and lowered its costs was the answer.

Operational excellence is the goal of any business. For manufacturers, excellence is defined by quality products delivered on schedule to meet customer demand. Unfortunately, even the best-planned production schedules can be interrupted by equipment breakdowns, delays in receiving raw materials and transportation channels that fail to get products to market on time. The paper container and packaging industry faces these challenges – and others uniquely its own. One leading manufacturer produces some of the most environmentally friendly paper in the world, a product that has seen rapid and unpredictable changes in customer demand. When its existing transportation providers struggled to deliver more than 250,000 metric tons of the material each year to customers, the company turned to Mode Transportation for new ideas. The result was a custom solution that gave the company far greater flexibility, control and substantially lowered overall transportation costs.

THE CHALLENGE

Transportation-related issues were creating production backlogs, customer shipment delays and additional accessorial expenses. After a comprehensive analysis, the Mode Transportation team uncovered several factors that contributed to the company's logistical challenges:

- Seasonal production highs and lows
- Limited access to 40-foot high-cube containers required to transport products
- Unreliability of aging carrier fleets
- Long transportation distances - 150 miles between origin rail ramps and production facility
- Limited dock storage space for finished goods awaiting pick up and raw materials being delivered

“Like many companies we work with, the customer's need for specialty equipment at unpredictable times was driving up costs and diminishing delivery reliability,” said Brad Young, Vice President of Pricing and Solutions Support with Mode Transportation. “Being a single-source transportation provider allowed us to conduct a thorough assessment and identify a better solution to their transportation challenges. Our access to a large carrier base provided a smooth transition from previous providers and rapid improvements in all key metrics.”

THE SOLUTION

Mode Transportation's solution focused on two key opportunities:

- **Improved local pick-up service.** Mode Transportation identified network carriers that offered increased container capacity and faster, more efficient response to changes in demand — without the carrying costs of a dedicated fleet. As an EPA





CHALLENGE

- Unexpected production variances
- Distance between origin rail ramps and production facility
- Freight pick-up and dock storage constraints
- Limited container capacity
- Escalating transportation expenses

SOLUTION

- Increase flexibility and reliability of transportation carriers and access to container capacity
- Establish proactive drayage management to meet varying 24/7 production
- Secure quality 40-foot container pool to meet production demands

RESULTS

-  Reduced annual transportation costs by more than \$500,000
-  Reduced average pick-up times by more than 75 percent
-  Reduced production backlogs and downtime expenses
-  Increased transportation consistency and container capacity



SmartWay™ Partner, Mode Transportation uses many carriers that focus on maximizing fuel efficiency and reducing emissions — further supporting the customer’s environmental commitment.

- **A more flexible container pool.** Based at the client’s manufacturing facility, the container pool flexes with varying production demands. The facility also began utilizing a yard truck to efficiently stage empty trailers and remove loaded trailers, preventing backlogs on the docks and potential interference with production.

What was once unpredictable was now much more manageable. Mode Transportation used network carriers to meet required capacity and flex to accommodate varying production demands. The solution allowed the manufacturer to react quickly and efficiently to production variances, an essential step toward reducing expenses and better meeting customer demand in a competitive market.

THE RESULTS

As a result of the network carrier and container pool solution, average freight pick-up times reduced from 36 hours to less than eight hours. Placing containers in the right place at the right time also reduced production backlog issues and charges due to driver wait and detention. Combined, these improvements resulted in transportation savings of more than \$500,000.

“Creating flexible, timely and reliable pick-ups greatly reduced the risk of finished goods piling up on the docks,” said Jim Sanders, Senior Account Executive with Mode Transportation. “Products now move efficiently through the entire facility, into quality containers and on to consumers.”

Today’s volatile business environment challenges even well-run organizations to identify new ways to eliminate inefficiencies without sacrificing quality service. That’s where a logistics partner’s objective perspective and experience working with companies facing similar issues can make a difference.

“It’s a perfect partnership,” said Todd Thompson, Senior Vice President of Mode Transportation. “Our client continuously strives to produce the highest- quality, most cost-effective and environmentally friendly paper. We share those quality and efficiency goals. Our transportation solutions provide results that directly supported these objectives and impacted the client’s bottom line.”

The best product in the world can’t do its job unless it’s in the hands of customers at the right time. And today, that’s easier said than done. Companies need an analytical, detail-oriented team to design and implement the best combination of containers, carriers and routes.

Contact Mode Transportation today to establish a reliable, cost-efficient transportation network.

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“Our solutions go far beyond saving companies money. We help our clients succeed in a very competitive and volatile business environment.

We make it a priority to understand the challenges of each business, and we combine this knowledge with our single-source, mode-neutral approach to deliver the best transportation solutions available.”

Jim Damman
President,
Mode Transportation