

# Logistics International LLC Case Study

***New real time data and improved automated business processes enhance customer satisfaction and profitability.***

## Customer Overview

Logistics International LLC, a third party logistics provider throughout the United States and Canada operates a total of 186,000 square feet in two RF enabled warehouses adjacent to the Minneapolis/St. Paul Airport. In addition, the company operates temporary warehouses on the East and West coasts as needed to support special programs for their customers. Established in 1991, Logistics International helps companies design, build and manage their supply chains using dynamic, flexible solutions to help maximize profitability. Logistics International has grown their business by providing domestic and international transportation, warehousing fulfillment, installation and project management services to customers in a wide variety of industries including the printing, publishing, fulfillment, photo reproduction, retail and other industries. Logistics International also provides trade show and exhibition shipping and long/short term warehousing storage in both real and virtual locations. Because it services a range of industries, Logistics International stores a large variety of products and needs to capture attributes such as lots, serial numbers, and track lineal feet.

## The Challenges

As with most third party logistics providers, Logistics International decided to procure an enterprise level warehouse management system in order to improve internal business and financial controls, improve inventory and labor management and improve the level of customer satisfaction.

Logistics International sought an enterprise level warehouse management system in order to do the following:

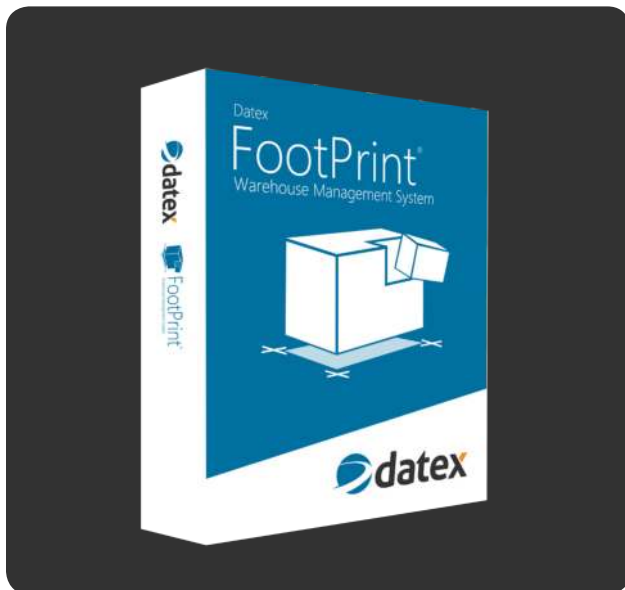
- Provide real time visibility across the different types of business units
- Provide a seamless flow of accurate information and data flow across all business units and to customers
- Utilize automation to increase accuracy, manage labor costs, provide accurate customer-specific billing and enhance internal financial controls

One of the primary pain points was the lack of a true centralized reporting repository. Without this functionality, there was no global view into the warehouse to provide real time data as to what inventory is currently in the warehouse and where it is located. Due to the lack of real time information, inventory had to be located by warehouse drivers, picked then manually verified. As information was primarily handled manually, the business lacked the ability to maximize the use of warehouse space, manage information for reporting purposes and process inventory in the most effective manner possible. Logistics International was unable to process data and efficiently report on such issues as inventory levels, lot inventory, or turnover.



# Datex Case Study- Logistics International, LLC

## The Solution



During the Business Process Analysis, all processes and operations were evaluated and clarified. This assessment revealed key gaps in operational efficiency and effectiveness which could readily be closed through changes in process and the implementation of Datex FootPrint® 3PL WMS.

**Datex FootPrint® 3PL WMS is a highly flexible, state-of-the-art enterprise level system developed on Microsoft's .NET platform.** A unified solution, FootPrint 3PL WMS automates such functions as order management, receiving, put-away, picking, packing, shipping and invoicing. Created for use by third party logistics providers, the solution includes the ability to customize customer billing profiles and readily captures accessorial charges, allowing the company to recoup the cost of value added services, handling and storage. FootPrint® includes such features as yard and container management, dock-door scheduler, cross docking and a web portal. The web portal, developed using Microsoft Silverlight, provides customers to access real time data, including inventory, orders, invoices and reports.

Known for its user friendly supply chain software solutions and superior support, **Datex was selected to provide software, hardware and a thorough business process analysis in order to achieve the necessary objectives.** With more than 32 years of experience in satisfying business needs, Datex worked in close collaboration with Logistics International team members in order to create solutions with the desired flexibility and functionality to meet a variety of customer needs and specifications.

In order to improve the performance of the operating system, new Motorola MC9090 devices were purchased and implemented in concert with the new warehouse management system. **Moving to the use of RF hardware provides real time data, eliminating duplicate data entry and improving inventory processing, critical in products with quick turnaround.** This technology provides users to access work flow information, reducing wasted time and inefficiency. The new RF hardware also included the capture of all accessorial, handling and storage charges, allowing the creation of associated billing records specific to each customer.

In seeking a state-of-the-art warehouse management system, Logistics International wanted to eliminate manual processes involved with billing and inventory tracking and automate these efforts in order to improve accuracy and efficiency. Prominent gaps were uncovered in the areas of outbound tasks such as picking, verifying order versus picked accuracy. Primarily manual processes, these efforts relied on team members verifying the accuracy of the process and inventory.

**The benefits of using real time data and best practices are far reaching, from the warehouse floor to the executive level.** For example, a real time data collection system captures the data necessary for the population of the BOL. This conserves valuable organization resources, saving time and labor. Rather than having the staff manually prepare documents, increasing the likelihood of errors, data fields are automatically populated so that the BOL can then be previewed and the amount of paper and waste reduced.

As part of a labor management strategy, Logistics International needed to standardize their business process across all functional units, eliminating the need to have separate teams assigned to specific accounts. This increased flexibility enables any employee to be inserted into a process without losing time on additional training. The addition of automation was designed to improve the efficiency and ease of locating inventory, facilitate receiving, shipping, reporting and billing, creating valuable operational efficiency and accuracy.

**This consistent approach to business process and automation enabled the easy adoption of a company-wide system and facilitated the adoption of Datex FootPrint® 3PL WMS.**



Motorola MC9090 Device

# Datex Case Study- Logistics International, LLC

## The Solution- continued

In order to gain increased control over inventory, the new system was set up to track the variety of attributes and parameters needed to accurately track and properly allocate all types of inventory, i.e. lot, serial number, etc. Using FootPrint®, Logistics International now employs FEFO as the primary allocation strategy, but can also utilize FIFO and FMFO and can allocate by specific lot and pallet.

In addition, Logistics International now follows a replenishment strategy and utilizes wave picking in order to improve the efficiency of the overall picking operation in the warehouse.

Because of the amount of case picking and shipping via UPS/ FedEx, Logistics International needed to be able to have its users capture certain attributes of the carton using handheld devices in order to allow for seamless integration with the respective carriers. **Warehouse team members now use mobile devices to capture the width, length, weight, and height of the cartons being shipped.** Measurement sampling can be accomplished at a “picking container” level, which is either a case or pallet.

Providing real time visibility and access to inventory, orders, invoices and customizable reports via a web portal enhanced the ability of Logistics International to meet the dynamic needs of its varied customer base in addition to satisfying the needs for accuracy and effective operations. Using the portal, customers can view shipments, attachments, warehouse inventory levels, run and print reports and create orders.

Most of the value added services performed by Logistics International were not being billed. These services included but were not limited to: shrink wrapping, palletizing, repacking, kitting, light assembly, de-kitting, perpetual cycle count, labeling, special requests, disposal of unwanted product, gift wrapping, secure storage, extra insurance for high value goods. By developing customer specific billing profiles, Logistics International now is able to recoup the cost of these services, increase potential revenue and profitability. In addition, use of the automated billing feature allows Logistics International to bill for handling and storage. By using an activity based system, activities associated with each customer are captured, even if they are not being billed. Capturing this information provides the management team with vital information on each account and provides the opportunity for them to review current pricing strategies for each account and the entire operation. By allowing management to see how much time and work is being utilized for each customer, the team can better assess the value of the services and potential billing strategies.

**Upon implementation of Datex FootPrint® 3PL WMS, Logistics International also gained the ability to bill for initial and recurring storage, increasing potential revenue.** Prior to this, Logistics International did not bill until the first day of the following month for initial storage, losing valuable days in the billing cycle. With respect to recurring storage, Logistics International did not charge true recurring storage charges, i.e. the cost of the upcoming month of storage. These practices changed with the implementation of a split-month and recurring storage billing structure. Anniversary billing, another industry standard was also implemented and provides the secondary benefit of encouraging customers to ship product out more expeditiously in order to avoid additional storage charges.

**The initial implementation involved 5 integrations including FedEx, ProShip, ROC, E-Commerce, Solomon and TMS1.**

*“One of the main objectives in procuring a new warehouse management system was the desire to enhance the level of customer satisfaction and retention based on accurate and automated information.”*



Logistics International LCC Facility, Shakopee, MN

# Datex Case Study- Logistics International, LLC

## The Benefit

Moving to an automated system and utilizing best practices in warehousing operations now allows Logistics International to maximize its organizational resources more efficiently, enabling it to attract, acquire and effectively manage the inventory of new clients. Because Logistics International chose a warehouse management system that is highly flexible and scalable, the company is able to accommodate the needs of customers and their dynamic business operations without excessive costs for technical fees or an expanded or entirely new warehouse management system .

**Logistics International's investment in state-of-the-art technology has enabled them to acquire new customers while still minimizing their requirements for warehouse space and labor. Adopting this conservative approach, Logistics International has grown organically, attracting businesses that value the range of complete strategic and cost-effective solutions it provides to manage inventory through its entire life cycle. These customers include businesses that are at the forefront of their respective industries, industry leaders that depend upon accurate, timely service from a third party logistics provider to fulfill their business needs.**

- Labor and time savings from the automated picking sequence, outbound orders, verification of pick accuracy to ordered items
- Improved documentation capabilities, allowing users to attach any type of file to a particular purchase order or container has saved time and labor
- Increased order and shipping accuracy has resulted in higher levels of customer satisfaction
- The elimination of manual processes produced labor and time savings
- Activity based billing resolved the gaps in the billing process and resulted in increased potential revenue
- The availability of real time, accurate data provides executives and team members the ability to make critical business decisions quickly and efficiently. Reporting capabilities have greatly improved the communication and decision making process throughout the organization.
- Improved operational efficiencies through establishment of communication of outbound orders, allocation methods, defined primary and safety stock locations, true packing process, batch and wave picking.
- Standardized billing practices reduce errors, save time and labor
- Improved data collection efficiency reduced manual report preparation, instead focusing the team on correcting inefficiencies rather than in compiling data
- Improvement in inventory visibility continues to reduce time wasted searching for items
- Maximized warehouse space utilization
- Enhanced allocation process
- Improved inventory tracking and management capabilities



For more information on Logistics International, visit them on the web at:

**[www.logisticsinternationalllc.com](http://www.logisticsinternationalllc.com)**

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