

Ongoing optimisation at Fluke thanks to ShipitSmarter



Ad Valk:

“Global visibility information makes a significant contribution to improving our processes”

Fluke, an international supplier of test tools and calibration equipment, first started using ShipitSmarter around five years ago in order to increase competitiveness by working with several different transport companies in Europe. Having identified process optimisation as a source of financial gains, Fluke has since progressed to using this online TMS software to follow every shipment – inbound and outbound – enabling it to continually improve its processes.

With distribution centres and production sites spread across a large part of Europe and branches even further afield, Fluke’s distribution network is vast. The company – which forms part of Danaher – worked with just one transportation company until 2004, when it decided to switch to several logistics suppliers as a way of reducing costs. Fluke chose ShipitSmarter to facilitate its transport management. “A solution such as ShipitSmarter is essential to ensure that all colleagues issuing transportation assignments work in the same way, and to automate the decision for the most suitable logistics supplier,” says Ad Valk, Logistics Manager EMEA at Fluke. The pre-defined cost savings were achieved in no time, but the focus quickly shifted from being able to work with a number of different transport companies to improving supply chain visibility at individual delivery level – and then analysing the information in order to highlight where processes can be optimised.

TRANSPARENT PROCESSES Fluke has clearly benefited from having insight into each delivery. By providing initially the Customer Service department, and later the customers themselves, with access to the track-and-trace information, the number of telephone calls regarding delivery status between the Customer Service department and the operational team has been reduced by 80 percent, while customers are calling approximately 70 percent less often than before with similar questions. This has been achieved by providing direct access to ShipitSmarter in conjunction with linking the solution to Fluke’s Oracle ERP system. ShipitSmarter is currently being used at a total of 24 work stations spread across 15 distribution locations.

Analysing the data from ShipitSmarter proved even more valuable than Valk and his colleagues had expected. “We initially thought we would be able to save money by requesting credit notes from transport companies for all shipments which were delivered to customers later than the guaranteed delivery time. In practice, however, the data has also provided us with insights into the goods flow. We can now see, for example, if there are several deliveries going to the same customer on the

same day, so we can consolidate shipments. We have also been able to analyse parcels based on volume and weight, which has allowed us to reduce the size of our packaging.”

CLEARER INSIGHTS Ultimately, all of the information Fluke obtains helps the company when discussing contracts with transport companies. “We are in a much stronger position to negotiate, and we are able to conduct a ‘what if’ analysis to assess the impact of different variables. The system has also given us clearer insights into the surcharges that the various transport companies apply.”



New opportunities thanks to increased visibility

While the outbound transport to customers formed the starting point, ShipitSmarter is now being used for aspects of the inbound logistics too – such as for collecting return shipments from customers, for delivering raw materials to production sites in England and Germany, and for a drop shipping model, in which shipments from the US are pre-labelled and consolidated for transport to Europe before being further distributed by UPS. “That approach has been particularly successful, so we are planning to roll it out for shipments in the reverse direction next year, too.”

PROCESS OPTIMISATION Other opportunities lined up for process optimisation include the checking of delivery notes, and the automated transfer of data to the ERP system. Valk comments: “We are taking a step-by-step approach, but the data analysis is continually presenting us with new possibilities.”

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