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BRIEF CASE

Pet Care Company Improves Private Rail Equipment Utilization

A pet care company based in the Midwest, employs 15,000 people globally and manages a sizeable inbound supply chain, including bulk rail shipments of rice, barley, corn, chicken, tallow, and bentonite. Various suppliers and brokers across North America provide these essential ingredients to fuel its production facilities across the United States, producing pet care products such as food, treats, and litter for an increasingly demanding market.

The situation

Rail equipment visibility gaps

The company faced challenges in managing its growing private rail fleet of 1,600 covered hopper and box railcars, partly due to its ability to report on savings from optimal equipment utilization. The company uses its private fleet equipment to support grain (rice and barley) and golden product (perlite and bentonite) shipments. It can vary based on demand and production, but when their fleet is well-utilized, it is about a 90/10 split. The company's private equipment handles 90% of these shipments and 10% with railway-owned equipment. As this equipment transports products around North America, its logistics team needs to maintain accountability of each car's location so they can be reused for the next shipment.

At the time, the company relied on location tracing and reporting provided via individual carrier websites or their own leasing documents. This approach led to some significant inefficiencies, including:

• A lack of centralized and consistent shipment data across their expansive rail network

• Insufficient visibility into the geographical location of each piece of equipment

• Inability to easily capture and retain historical shipment data across multiple carriers

• No advanced analytics to produce metrics for action and improvement

These issues stem from hurdles rail shippers face, including lack of trace visibility, failure to capture and analyze quality historical shipment/transit data, and an inability to react proactively to variables in their supply network.

The challenge

Due to the lack of quality data, it was difficult for the pet care producer to properly size their rail fleet capacity to support incoming demand and ensure this equipment was optimally allocated and utilized. Private rail cars awaiting offload cannot be cycled back to suppliers. The inability to adequately react to demand forecasting or changes in order allocation caused the company's suppliers to inject excess railway-owned equipment into the its rail network. This overutilization of railway-owned equipment drove inflated rail freight and increased demurrage costs for the organization.

In an effort to reduce costs in the company's overall rail supply network, they sought to accurately capture and communicate any savings benefits from the efficient utilization of privately-leased rail equipment

and provide the tools and services to manage private fleet equipment effectively. Challenges in providing this analysis included setting up healthy data feeds with major class one carriers and short lines, establishing automated trace reporting and importers for industries and rail lines without EDI or API capabilities, vetting carrier location messaging data and trip logic to ensure car cycles are being captured accurately, and building a suite of timely, accurate, and easily consumable reporting tools for this data for end users. Internal purchase order reporting also needed to be integrated into analytics to anticipate upcoming orders and measure supplier fulfillment and shipment performance.

Pet Food Company

Challenges
• Lack of data visibility
• Inconsistent, incomplete data

Solution
• Comprehensive and complete data to provide private fleet visibility

Applications
• Transportation Management - Rail

The solution

E2open delivered reporting to capture and analyze the company's shipment data, display cost offsets, and highlight fleet utilization savings when private equipment is optimally utilized in the rail network. Integrated purchase order reporting and accurate real-time transit data allow the company's locations to monitor their inbound rail supply, set desired safety stocks for on-hand inventory via rail, and understand what outstanding orders are currently on hand, in their pipeline, and upcoming.

Visual analytic reporting also allows for improved supply network management and fleet utilization. This reporting includes tools for monitoring yard dwell and demurrage costs so plant facilities can keep track of their monthly expenses and make the necessary yard management adjustments to reduce dwell and demurrage charges. Our solution also provides managed service assistance in proactively repositioning empty equipment through purchase order monitoring, demand reporting, and communication with the company's procurement team and suppliers. These measures allow e2open coordinators to adapt to changes in the network in real-time and execute operations that mitigate the effects of these variables and reduce costs.

The outcome

Providing lease savings and fleet utilization metrics has been valuable in reducing railway-owned equipment injected into the company's rail network. Shipment visibility and analytic reporting tied to internal company orders have allowed for the optimization of their rail network, including improved car turns and reductions in demurrage and dwell times across all facilities. The reported lease savings have been a critical metric for their transportation team to justify procuring new privately-leased equipment brought into their network. The new private equipment has further improved freight reduction and demurrage costs. This equipment is also typically in better condition, making it easier for crews on the ground to load and offload, thus improving car turns and reducing downtime at origin and destination facilities. The company continues to utilize these reported savings and railcar metrics to improve efficiency further and reduce costs in their network. Even with its initial goals met, the company continues to refine its processes and implement other savings measures to its continually growing rail supply network.

Application

• Transportation Management - Rail

About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: **www.e2open.com**

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REDUCED
Demurrage Costs

REDUCED
Overall Transportation Costs

OPTIMIZED
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