

Trimac is a Smarter Carrier With BusinessWare®



“The key to success for transportation companies is efficiency, which we’ve dramatically improved through the use of Vitria’s® innovative technology. By integrating our dispatch and billing systems with those of our customers, we’ve streamlined the order fulfillment process to drive down costs while helping to increase customer satisfaction”

▶ *Ted Barnicoat, Chief Information Officer, Trimac*



The bulk trucking industry - moving liquids and dry bulk in tanks and hopper cars - has always been a challenging, low-margin business. A large fleet of highly specialized vehicles is required, and the business is extremely time-sensitive because customers rely on receiving materials for just-in-time manufacturing.

After the events of Sept. 11, 2001, operations became even more demanding. Increased border security affected the timeliness of deliveries between Canada and the United States, and insurance costs for moving dangerous goods increased. In short, pressure for efficiency was amplified while the process to deliver became ever more difficult. Although the world had changed, the North American bulk truck transportation carrier, Trimac Corporation, had the same responsibility to its customers: Get the right goods to the right place at the right time.

Trimac believes the key to success is information, not highways. “We invested in technology because transportation is an information business,” said Ted Barnicoat, Chief Information Officer of Trimac. “You must be smart in what you’re doing if you’re going to survive.”

The Challenge: Improving Order Visibility and Accuracy

Trimac turned to Vitria to implement a business-to-business commerce system that would improve the flow of information between Trimac and its customers and improve order visibility across its national dispatch operation centers. With Vitria’s help, Trimac integrated its internal dispatch system with customer order systems across leased lines or over the Internet. This enabled orders to be captured electronically into the dispatch system and posted directly to Trimac’s order board as soon as customers placed them. Previously, orders were taken manually, via phone and fax, creating data entry errors and confirmation delay on both ends. Now an order is posted directly to the dispatch system, which immediately sends an alert to the dispatcher about the new or changed order and a confirmation can be automatically sent to the customer.

Trimac has used the electronic commerce system to meet the needs of customers with spiked demand by providing visibility into the order process. Two of the customers currently working with the system are cement companies. The construction industry is seasonal, with most cement orders coming in during building season in the warmer months. “This year, Trimac was able to handle the huge summer spike in orders without problems, from the initial order all the way to accounts receivable,” reported Barnicoat. “This is because we were able to respond to an order as soon as it was placed.”

Ease of Use and Quick Implementation

To make e-commerce work, Trimac had to modify its internal dispatch system to handle the differences between electronic and manual processes. The system has to be able to

Business Profile

Trimac Corporation is North America’s premier provider of ground transport for bulk commodities, transportation and third-party logistics services.

Employees: 6,000 +

Revenue: \$ 450 Million

Industry: Transportation and Logistics

Region: USA

Challenges

- ▶ Low-margin business requires efficient fulfillment of transportation requests
- ▶ Post 9/11 economy has resulted in added border crossing time delays and greater challenges moving hazardous materials cost effectively
- ▶ 30% change orders with minimal lead time result inefficient fleet utilization
- ▶ Eliminating inefficiencies, errors and high cost associated with fax and phone orders necessitated looking at direct electronic order capture and automated exception handling

Benefits

- ▶ Reduced customer order discrepancies by 50% and reduced order to invoice process costs from \$25 to \$5
- ▶ Increased value added resource utilization (people and trucks)
- ▶ Enhanced order-to-cash cycle because of better tracking of orders, changes and invoices
- ▶ Solidified relationship with customers

provide alerts to dispatchers upon receipt of new and changed orders, and indicate which fields have changed in case the change impacts the dispatch plan. Depending on customer needs, the system must also send automatic acknowledgements and load status information to customer systems. According to Barnicoat, "That took about six months of work, but the actual implementation of the Vitria solution took only three weeks."

In setting up the second customer with electronic ordering capabilities, Trimac was able to complete the integration in less than one month. "This second implementation was remarkably fast and it's worked from the get-go. Our experience in integration is that it is the process that makes the difference. Vitria's process modeling capabilities have certainly been a key to our success and allow us to have a very strong offering in the market," said Barnicoat.

The BusinessWare® hub translates incoming documents from customers in EDI and other formats to be compatible with Trimac's dispatch system and routes this information throughout the system. Most Trimac customers are Fortune 500 corporations, and Trimac must be able to handle the transactions in the format of their customer's choice.

With Vitria, Trimac has the ability to readily deal with multiple transaction formats out-of-the-box, in particular XML and ChemXML, the XML variant used in the chemicals industry. Trimac expects to be the first transportation company to use ChemXML with customers over the Internet. Vitria's capability for modeling and testing workflows for inbound and outbound transactions has significantly shortened times for successful business-to-business integrations with customer systems.

Forging Closer Bonds with Customers

Lehigh Inland was able to use the electronic interface with Trimac to improve its own customer service and cash flow as well. Because the company covers vast distances in Canada where it can take days to get cement to a customer after an order is placed, Lehigh Inland strategically places pre-loaded trailers throughout the provinces so customers can be served more quickly. Before moving to the automated order system, Trimac experienced a delay between the time an order was shipped and the time the information was entered into Lehigh Inland's billing system, thus delaying customer invoices. Now when one of these preloads is sold, the information goes into the system automatically for quicker billing and payment to both Lehigh Inland and Trimac. The system also helps Lehigh Inland more efficiently manage and bill for diverted loads. Customer service in the areas of product delivery and billing is greatly improved.

Cost Take-Out for Both Parties

Because the electronic order is more likely to be correct in the system, Trimac can more confidently create an accurate invoice, which can be approved and paid by the customer more rapidly.

This electronic process takes costs out of the whole system, but not just for Trimac. Customers save money on each order, as well. Previously, the process from order to invoice cost the customer about \$25 per order. Doing an order electronically on the current system costs \$5 per order.

Asset Optimization

Another benefit of Vitria's solution that Trimac plans to exploit is the ability to optimize assets like their fleet of trucks, to get the highest utilization rate. Because the orders come in electronically, managers have visibility into all orders, destinations, cargo and routes. Using this information, Trimac will be able to better manage its fleet so that trucks don't have to travel empty or half-empty. This is especially challenging for a bulk shipper like Trimac that has specialty vehicles that are often restricted in the load types they can transport. For example, some vehicles can only be used for liquids that will be used in food manufacture, and other vehicles haul hazardous chemicals. "By getting the orders directly into our dispatch system in near real time, we've got the maximum time in which to look at those orders, optimize those orders and try and find ways in which to increase the utilization of our fleet and lower the rates," noted Barnicoat. "This is a very key initiative for Trimac to provide new and better customer service and lower our costs."

In addition, the ability to deal effectively with change order requests is a key determinant of success. Trimac gets 30% orders changed before ship. "When you've got 3,000 trucks across continental North America, this is a major problem, particularly when the change orders come in hours before ship time. What we want to do is to be able to get access to the orders as quickly as possible, enabling us to look at the transportation plan and try to re-jig it so we can be efficient in our transportation. This is a very low margin business, and inefficiency in the dispatch of our assets takes out any small profit there might be," explained Barnicoat.

In the meantime, though, just being easier to work with electronically is helping Trimac's business. "We're good truckers. We're on time, we're safe and able to quickly deal with change," Barnicoat said. "But we can leverage investments in ERP systems into process improvements, and that will attract business to us because logistics costs are an important part of the delivered costs of our customers' products. We believe this can be a key differentiator for us and a place where we can offer tangible value to our customers," concluded Barnicoat.



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