

Implementing a transportation management system to consolidate the shipping process



Seneca Foods Corporation

Location

Marion, NY

Industry

CPG/Grocery

Revenues

For the fiscal year ended March 31, 2006, net sales were \$883,823,000 and net earnings were \$21,993,000.

Business challenge

To implement a transportation management system that would enable the company to centrally manage contracts with carriers and execute logistics in a distributed manner

Solution

Sterling Transportation Management™ System

Benefits

- Connected disparate systems, locations and carriers
- Centralized control of operations through enhanced visibility of shipment activity
- Improved control of routing guide compliance
- Increased contract compliance regarding invoices and freight payment
- Reduced manpower and paperwork
- Decreased freight costs by 2% within first year

Customer background

Seneca Foods Corporation is an independent, publicly traded food processing company. As a fully integrated producer, the company has made significant investments in facilities and technologies to enhance manufacturing processes, increase line speeds and guarantee premium quality. Seneca even develops crop seeds and manufactures their own cans to give them an additional competitive advantage. Remaining on the leading edge of agribusiness by implementing advanced technologies and information systems, Seneca Foods is able to produce an exceptional range of quality products more efficiently and with fewer imperfections.

Products are sold under the Libby's®, Aunt Nellie's Farm Kitchen®, Stokely's®, READ® and Seneca® labels, as well as through the private label and industrial markets. Under

an alliance with General Mills Operations, Inc., Seneca produces canned and frozen vegetables, which are sold by General Mills under the Green Giant® label.

Business challenge

Prior to Sterling Transportation Management System (Sterling TMS), Seneca Foods managed freight contracts through a centralized route guide; however, regional transportation managers selected the carriers. That meant contracts were negotiated on a regional basis instead of a corporate-wide contract rate.

In addition, shipments were tendered via phone and fax with no cross-company visibility to shipment status. Performance measurement was handled by carriers, who did not always report on a monthly basis.

“The speed and ease by which Sterling TMS helps us move orders to the carrier base have definitely reduced our freight cost. The entire process is streamlined, which has led to a reduction in shipping costs, manpower and paperwork.”

Gene Schaetten
Vice President of Transportation,
Seneca Foods Corporation

Seneca Foods needed a new transportation management system that would provide rate management, tendering, visibility and supply chain management, thus enabling them to reduce off-contract purchasing, improve carrier utilization and centrally manage logistics.

Solution

Seneca Foods chose Sterling TMS because its Web-based technology offers robust transportation management system capabilities, such as online tendering, shipment tracking and tracing and supply chain event management. It also provides cross-company shipment visibility, as well as consistent performance measurement.

Now Sterling TMS helps Seneca manage more than 55,000 orders per year. With both interplant and outbound shipments to 12 warehouses and roughly 1,000 customers, Seneca relies on Sterling TMS network to centrally manage contracts with carriers and execute logistics in a distributed manner.

Sterling TMS has streamlined Seneca's shipping process. In fact, now three people manage transportation logistics. Prior to Sterling TMS, 15 people were involved. And by the end of 2006, Sterling TMS will facilitate freight payment and

dock scheduling for Seneca. Again, Seneca expects to see a savings in overall costs, manpower and paperwork.

Key benefits

Centralized management and distributed execution: Now all interplant and outbound shipments to customers and warehouses are centrally managed, with full visibility to shipment activity. This allows the company to maintain and control routing guide compliance.

Reduced costs and improved operations: Seneca improved control over logistics operations through online track and trace capabilities, automated tendering and enhanced carrier performance analysis. Within three months of implementation, the company was on track to reduce overall transportation spending by using carriers more efficiently and minimizing off-contract purchasing.

Faster deployment, easy enrollment: With the decentralized nature of Seneca's business, users were located throughout the United States. However, Sterling TMS provided a phased rollout so every location and user was fully trained quickly. This approach significantly increased user adoption and allowed for contingencies to be easily addressed during the rollout.

About Sterling Commerce

Sterling Commerce, an AT&T Inc. (NYSE:T) company, helps companies optimize and transform their Business Collaboration Network quickly, easily and securely so they can accelerate revenues, reduce costs and protect their enterprise. Sterling Commerce provides more than 30,000 customers worldwide with applications and integration solutions to connect, communicate and collaborate with their customers, partners and suppliers. Learn more at www.sterlingcommerce.com.

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