

Analysis of freight data leads to business opportunities



HP Hood LLC

Location

Chelsea, MA

Industry

Grocery

Revenue

\$2.3 billion in 2006

Business challenge

Ineffective collaboration between the transportation department, customer service and warehouse at HP Hood was having a negative effect on customer service

Solution

Sterling Transportation Management™ System

Benefits

- Provides complete visibility into the entire transportation process, enabling real-time decisions during order to delivery cycle
- Increased on-time deliveries resulting in improved customer service
- Ability to monitor freight trends using customer defined key performance indicators
- Streamlined freight payment for additional cost savings
- Improved communication with carriers for increased tender acceptance

Customer background

Founded in 1846, HP Hood LLC is now one of the largest branded dairy operators in the United States. In its traditional home territory of New England, the company's lines of milk, cream, ice cream, cottage cheese, and sour cream regularly rank number one in the six-state area.

HP Hood has a broad customer base, from grocery warehouses to convenience stores. Approximately 1500 shipments occur each week, involving 12 processing plants and 22 distribution centers.

Business challenge

When the company experienced rapid business growth in 2001, it also experienced several issues within the transportation management process, including reduced visibility, communication and carrier management, as well as a widening gap between warehouses and customer service.

"We wanted to accomplish more with less," said Heidi Henderson, Logistics Analyst for HP Hood. "We also wanted the new solution to serve as a communications tool for our plants, customer service, the carriers, and our transportation department."

Solution

HP Hood implemented Sterling Transportation Management System (TMS) in 2002 which provided them with a logistics network of thousands of carriers, along with the capability to automate the entire transportation management process. Sterling TMS enables the company to collaborate consistently with everyone in its logistics network, from order to delivery.

“For as much information you put into Sterling TMS, you get twice as much out for analysis. The more Sterling TMS is used and integrated, the more powerful it becomes to every aspect of the business.”

Heidi Henderson
Logistics Analyst,
HP Hood

In addition, Sterling TMS provides complete visibility into orders, inventory and shipments throughout the delivery process, thereby bridging the gap between transportation, the warehouse and customer service.

“The concept of an on-demand solution that provides the latest capabilities with frequent updates was a compelling benefit,” she said.

Since Sterling TMS expands visibility beyond the transportation department to the warehouses and customer service, it truly provides a one-stop shop for information. Sterling TMS is used every step of the way: with transportation planners to consolidate loads; with customer service to maximize payload and customer communications; at the warehouse level for dock appointments and finally for freight payment and analysis.

Henderson said, “Since we have every piece of information from order to delivery, we can figure out how to better serve our customers.” She continued, “We also use this data for budgeting and new business analysis to see where we can put more payload without creating less than truckloads.”

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.

Key benefits

Visibility

- Improved customer service through increased visibility
- Fewer customer service issues

Operations

- Central management of shipments
- Increased productivity

Analysis

- Respond to performance issues in real-time

Reduces costs

- Keeps true costs in line with revenues
- Monitors key performance and identifies trends using KPI

Improves customer service

- Improved communication with carriers for shipment tendering and status
- Improved on-time pickup and on-time delivery

Automates freight payment

- Saves time and enables regular carrier payment
- Reduces payment errors

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SC0494 07/09