

CASE STUDY:

On-site Consolidation & EDI Integration Solutions for Snack Food Producer



Evans Food Group significantly cuts costs and improves operational efficiency with managed transportation solution

CUSTOMER PROFILE

- Manufacturer of pork rinds, pellets, cracklins, & sancochos
- Private-label provider for the world's largest snack food brands
- Serves distributors, retailers, and ethnic food companies located across the world
- Five manufacturing facilities in North America
- Founded in 1947



THE SITUATION

After an organization-wide evaluation, management of Evans Food Group was charged with identifying proactive ways to cut costs and improve efficiencies, with a focus on optimizing productivity. They turned to one of their long-time logistics partners, Zipline Logistics, for network evaluation, recommendations, and implementation. Together the two organizations looked first at the Ohio-based business division of Savory Foods, Inc.

The Savory Foods four-dock facility had become over-serviced due to business expansion and the facility's historic reliance on less-than truckload (LTL) shipments. High volumes of LTL orders caused production scheduling complexities, congested docks, and delayed vehicles. Drivers often missed customer deadlines, incurring unnecessary charges and hurting retailer relationships. Additionally, the extra handling of product regularly caused unwanted product damage.

Goals were set to minimize use of LTL, lower landed costs, increase overall production efficiency, improve dock utilization, and allow for more flexibility in the supply chain.

THE SOLUTION

After an in-depth network evaluation, Zipline Logistics recommended that Savory Foods move specific customer orders to alternate production facilities so they could flow into pre-existing truck routes and reduce utilization of LTL. This move would help ease the existing strain on production and docks, and increase overall capacity.

Solution consultants at Zipline Logistics also expanded the company's use of multi-drop truckloads to further reduce LTL orders. Implementing an on-site consolidation program allowed for previously stretched production schedules to have more flexibility. With full control of order pick-ups, employees were awarded more time to meet customer deadlines.

CONTINUED

▶ Building out an on-site consolidation program facilitated a dramatic drop in costs, provided more operational flexibility, lowered dock congestion issues, and significantly reduced product handling.

▶ Electronic Data Integration (EDI) technology updates greatly reduced processing time, lowered chances of manual error, and provided both teams with greater visibility into transportation schedules.

▶ Adoption of a managed transportation solution (MTS) provided access to route optimization technology, business analytics, and end-to-end shipment management.

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Zipline Logistics worked directly with Savory's transportation department, sales staff, and client and receiver representatives to determine what deliveries had elasticity within due dates. The team then mapped and evaluated customer skid counts, product ready dates, costs, hours of operation for receivers, revised delivery deadlines, distances, and optimal routing for hundreds of locations.

With remapped outbound routes and timelines for multi-drop orders, Zipline Logistics successfully established dedicated truckloads for previously determined LTL shipments.

Evans Food Group adopted Zipline Logistics' managed transportation solution (MTS) and implemented Electronic Data Integration (EDI) order tendering to further automate transactions and save employees time. Previous manual processing of high-volume orders left paperwork open to error, which was particularly expensive for LTL shipments.

Zipline Logistics' IT department aided Evans Food Group with the implementation of electronic Purchase Order (PO) import processes and EDI communication protocols. Orders that previously arrived via email or phone were automatically sent to Zipline Logistics' MTS.

THE OUTCOME

Taking a holistic approach to supply chain evaluation, Zipline Logistics and Evans Food Group altered transportation practices to significantly reduce spend and increase efficiency for the entire company.

Altered production locations and order consolidation resulted in two-thirds fewer LTL shipments, transitioning the majority of orders to full truckload. These solutions not only cut transportation costs, but reduced product handling, cut down on employee processing time, improved overall performance, and increased customer happiness.

Savory Foods is now able to meet deadlines while also cutting costs and achieving larger margins. In fact, in 2016 the client achieved a **total on-time rate of 97.66% for 6,251 pick-ups and deliveries**. Handling and compliance also improved with the use of significantly fewer carriers.

Adopting Zipline Logistics' MTS provided Evans Food Group with an end-to-end order management solution. Optimization tools and business intelligence reports helped the two organizations identify ongoing opportunities for new efficiencies and increased profitability.

With vastly expanded visibility into its supply chain, Evans Food Group is now able to be more strategic with transportation decisions, rather than reactionary to order volumes.



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888-469-4754 or www.ziplinelogistics.com

SAVINGS ON TRANSPORTATION

- ▶ 20% decrease in landed costs per pallet
- ▶ \$10,000 cut each month from transportation spend

ADDITIONAL TRANSPORTATION IMPROVEMENTS

- ▶ Increased compliance with customer due dates
- ▶ Reduction from 20-30 LTL orders per month to just 5-10 per month
- ▶ Dock congestion issues reduced
- ▶ Optimized order routing
- ▶ Reduction in product handling and damage
- ▶ More flexibility in production schedules
- ▶ Reduction in paperwork and time spent on order processing