

Automotive Components Manufacturer JDA Transportation Management Transformation

Solution Snapshot



Problem: Spinnaker specialists co-developed a proof of concept that led executives to authorize implementation of a centralized transportation system. Then they got the nod to develop it.

Solution: With long-term experience in transport processes and technology, our professionals followed Spinnaker's people—process—technology approach and built a just-right system.

Ultimately, of course, that's what successful logistics management really boils down to—gathering data, managing data, sharing data. The cleaner your information and your ability to share it with other key business units, the smoother your ability to manage transportation planning and execution.

Traditionally, data used for effective transportation planning contained just enough information for a logistics center to plan and track shipments. In this case, though, Spinnaker helped one large automotive manufacturer take transportation data to a whole new level—by focusing on people.

The Challenge: Spinnaker was brought in to transform a loosely organized transportation network into a centralized nationwide system that would support our client's JIT environment and ensure supplier compliance using only limited data. Our veteran transportation consultants, with deep skills in process and organizational design, were given a Tier I TM package (Manugistics Transportation Management v7.1) and the liberty to develop an optimized system based on an assessment of our client's operational environment, long-term strategic goals, and their own industry expertise.

Building a World-Class Operation: Step 1

Our consultants' first task was meeting with stakeholders throughout the client's decentralized environment, working to further define the project by exploring the type of

data being used to support the existing operation. This focus on people and process before technology is a Spinnaker hallmark. It ensures our client isn't just automating inefficiencies and wasting money simply by "throwing software" at their business problems. In this case, collaborative analysis revealed fundamental problems like mission-critical data, such as part metrics and shipping schedules, stored only in the heads of planners with 20+ years of experience. In our client's rapidly changing JIT environment, such practices, while not uncommon, risk perpetuating data inaccuracies. In a centralized transportation system, taking action based on bad data can drastically impact inventory turns if such information is released too early, or it can drive costs per unit through the roof if it's not released well enough in advance.

Essential data is usually fed to a traditional transportation management system, but in this case, it wasn't "stored" anywhere. To develop a new TM system with extensive data management capabilities, our consultants had to figure out not only how to capture and consolidate the vital information literally stored only in the minds of various key players, but also how to do so without overburdening these people who were also busy managing day-to-day plant operations.

Strategic Development Based on Business Goals

After conducting extensive interviews during on-site visits at various locations throughout our client's transportation network, Spinnaker's consultants led members of the client project team through a series of process and solution design sessions. Their goal was to focus not just on transportation planning but also on all business units that would be impacted by the new system, including the most critical units, plant operations personnel.

Over the next several months, our transportation specialists worked with liaisons from all the affected business units, striving to create win/win scenarios and end-user buy-in by focusing, again, on people and process.

For members of the Procurement department, this meant providing data that could be used for their supplier scorecards in return for assistance with engaging the supplier in data collection and maintenance.

For the Engineering team, this meant defining cleaner packaging types in order to reduce the risk of damaged parts.

For Plant Operations, this meant providing part-level visibility to all in transit shipments and line requirement changes in return for their assistance in shipping schedule definition and maintenance.

For Plant Operations Managers, this meant providing summary reports of line requirement changes and expedited freight in return for opening up consolidation opportunities.

Spinner used this momentum to craft a complete transportation solution that started with the packaged TMS software but then added custom Web based applications to meet the needs of the various business units, the suppliers, and the carriers. In addition, their migration of the decentralized transportation planning environment to a centralized one included all the necessary organizational procedures and KPIs.

And To Top It All Off: Highly Customized Training

To round out the implementation, Spinner created and executed customized training specific to each internal and external user group that would be affected by the new organization/transportation solution. Far beyond the “plain-vanilla” of standard vendor training, Spinner’s courseware detailed the new operational processes and data maintenance guidelines, to help ensure quality control and long-term value.

Once live, Spinner’s system provided the plants with better visibility than before, as well as the resources to drive internal compliance with expedite freight procedures and line requirement changes. This enabled local transportation planners to focus on customer service to the plants and central planners to focus on freight planning.

In the end, Spinner’s focus on people—not just data—helped business leaders with this company beat their estimated ROI.

About Spinner:

Spinner is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinner offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinner has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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