

CASE STUDY

# A Power Brand Gains Strength Through Managed TMS<sup>®</sup>

**BOISE<sup>®</sup>** **TMC** | A DIVISION OF  
C.H. ROBINSON

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What started as an initiative to improve on time delivery rates has evolved into a lucrative, enterprise-wide supply chain strategy at Boise Inc. In 2005, the company went looking for a TMS solution that could elevate on time deliveries to 95 percent across the board and 98 percent for their key customers. After an extensive search, Boise selected TMC, a division of C.H. Robinson Worldwide, Inc., and its Managed TMS<sup>®</sup> solution. Within a few months of operation, Howard Lortz, Logistics Planning Manager for Boise, realized Managed TMS held much greater promise than simply driving on time performance. Today, cost savings are accumulating and service levels continue to improve across their entire network. As a result, Boise has won several supply chain awards for highest service levels from their key customers.

## Leveraging KPIs to Define Their Perfect Order

When Boise first engaged TMC, on time delivery was the company's primary objective. "Our brand is built on world-class customer service, so on time delivery was more than a statistic," Lortz said. "It was critical to the success of our company. We want every one of our customers to say, 'Boise is always on time.'"

TMC's process engineers collaborated with Boise's transportation and logistics teams to identify the 12 criteria that comprised the perfect order for Boise. "Working together, these groups hammered out the most critical KPIs," said Lortz. "Then they wrote a plan that we felt would drive on time performance from 88 percent to 95 percent—or even 98 percent."

"It was a perfect fit," Lortz said. "Our team brought their ideas and experiences to the table, and TMC brought great processes and some solid best practices that had been developed in their work with other clients. The result was an optimization plan that immediately put us on the right road."

## Immediate Results In On Time Deliveries and Cost Savings

TMC and Boise first deployed the Managed TMS solution at Boise's mill in Jackson, Alabama. TMC was responsible for shipment planning, mode optimization, appointment scheduling, load execution, and reporting. Boise negotiated rates and managed the relationships with carriers.

Before the deployment, on time deliveries were running at about 88 percent. “Very quickly, that number rose to 97 or 98 percent,” Lortz said. “We knew the plan would work, but we were all surprised with how quickly TMC got us there.” The success in the Alabama mill led to rapid deployment at mills located in International Falls, Minnesota, and St. Helens, Oregon, as well as warehouses in six other cities, including Toronto, Canada.

Boise achieved its service level goals faster than expected. But equally surprising for Lortz was the immediacy of the cost savings. Consolidations and modal optimization alone accounted for significant, six-figure savings each month.

“We knew route guide adherence, consolidation, and optimization would lead to savings, but we were pleasantly surprised with how quickly we realized them,” Lortz said. “It was a great win-win scenario for us—on time deliveries and cost savings.”

## Configured to Match Boise's Organizational Preferences

The day-to-day heavy lifting in the freight network was something Lortz was happy to turn over to TMC. But it was essential that Boise's Corporate Transportation Services, led by Ross Corthell, maintained control of the overall transportation strategy and relationships with both carriers and customers.

“Maintaining relationships and advancing the Boise brand are core competencies for us,” Lortz said. “We needed a TMS solution that allowed us to add both expertise and technology, while maintaining full control of those critical relationships.”

In addition, TMC's process engineers and power users fit into Boise's relaxed, but highly professional culture. “We're a West Coast company,” Lortz said. “In my mind, that means we're easy to get along with, we're committed to exceptional customer service, and we always get the job done the right way. TMC's people blend perfectly into that culture.”

## Scalable and Powerful TMS Technology

In addition to the quality and expertise of the people, Boise selected TMC because its approach to technology fit their business model. Web-based TMS tools provide Boise with visibility to loads throughout the entire process and allow them to create customized business intelligence reports on the fly.

There was no software to buy, manage, or upgrade—which made the deployment highly cost-effective. This “cloud computing” model gives Boise the flexibility to scale up or down quickly as volumes change.

## The Importance of Visibility

Another critical benefit of the TMC solution, according to Lortz, is improved visibility. Boise’s former service providers didn’t offer the kind of information and supply chain visibility that they needed to benchmark their financial metrics and understand their costs.

With the full visibility that TMC provides, the Boise team can now generate customized business intelligence reports and better manage their costs. “We use the information that TMC provides to understand our real costs and make more profitable decisions throughout the supply chain. This has allowed us to change some of our service program offerings to our customers because we know the real, activity-based costs for services such as rush orders,” Lortz said.

## Summary

When Boise set out to find a TMS solution that could meet their specific supply chain needs, they needed a provider that could help them improve on time deliveries and better manage costs. Through TMC’s unique Managed TMS solution, they not only met their transportation goals quickly and with little upfront investment—they were able to improve customer service levels and strengthen their world-class brand.

## About Boise

Boise Inc. (NYSE: BZ) manufactures packaging products and papers, including corrugated containers, containerboard, label and release, and flexible packaging papers, imaging papers for the office and home, printing and converting papers, newsprint, and market pulp. Annual sales are more than \$2 billion. The company operates five paper mills, five corrugated products plants, a corrugated sheet feeder, a corrugated sheet plant and two distribution facilities.

## About TMC

TMC is a division of C.H. Robinson, one of the world's largest providers of global freight services. Their global Managed TMS® solution offers TMS technology combined with managed services. Through Control Towers® in Chicago, Amsterdam, Shanghai, and Mumbai, TMC coordinates complex, global, multi-leg shipments, using all forms of transportation. With the Managed TMS solution—delivered through TMC—clients are provided a single global platform for shipment optimization and visibility, freight payment, and business intelligence. C.H. Robinson employs hundreds of transportation experts to support Managed TMS clients in North and South America, Europe, Asia, Africa, and the Middle East.

For additional information on Managed TMS and global Control Towers, go to [www.mytmc.com](http://www.mytmc.com).

For powerful new ideas in freight management, visit the TMC Connect blog at [www.mytmc.com/blog](http://www.mytmc.com/blog).