CONTECH Construction Products, Inc.

IBM® provides transportation management and visibility for Contech

Overview

Business Challenge

Find and easily implement a robust transportation management system that provides good overall functionality, including ease of use as well as excellent tender and freight payment visibility

Solution

- IBM® Sterling Transportation Management System

CONTECH™ offers a wide array of innovative solutions for initial development and rehabilitation of existing structures and sites. Its products provide effective solutions for projects with a variety of loading conditions, foundation requirements, soil and water environments and varied installation demands.

CONTECH has a physical presence in all 50 states and third-party distributors in every major U.S. city. The company moves approximately 80,000 truckloads per year, which involves more than 1,000 carriers. Prior to implementing the IBM solution, CONTECH managed the process manually.

Business challenge

Before Rick Gaynor, Vice President of Logistics at CONTECH, proposed a transportation management system (TMS), the company handled the process manually with Microsoft® Excel spreadsheets. "We're an engineering firm that provides construction product solutions, so logistics had not been our primary focus," he explained. "But we all know an essential component of any organization is visibility into logistics and service levels."

Gaynor said he and his colleagues looked for the following components in a TMS: ease of use, flexibility, reliability, great GUI interface, and unprecedented visibility to a large network of carriers. "It had to be easy to use, day in and day out for the planning and execution of shipments," he said.

To manage the selection process, Gaynor prepared a detailed, 50-page RFI based on his experience gained through the implementation of two previous TMS solutions.

"We elevated multiple TMS providers, but the IBM product was by far the most outstanding in terms of functionality, and the advantages of the Software as a Service (SaaS) model over the On Premise solutions was clear. It provided the best overall value proposition and the visibility we needed," he said.
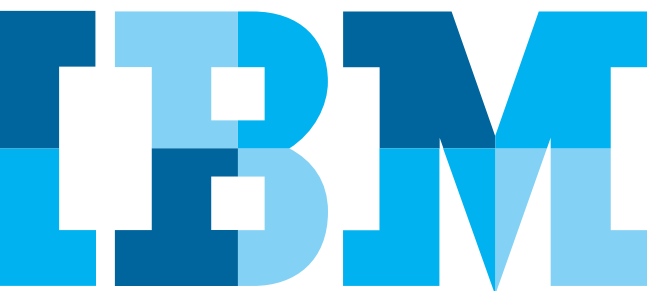
Business benefits:

- Automates tendering process optimization of Contech's private fleet and helps ensure the best cost carrier is selected to meet service commitments

- Achieves ROI within six months

- Enables costs to remain flat when the average marketplace increase is 3-7 percent

- Improves contract management process and reduces costs in contract administration

- Streamlines freight approval process

Solution

IBM Sterling Transportation Management System (Sterling TMS) provides CONTECH with transportation planning, shipment, financial settlement and tracking visibility through a SaaS solution. Based on collaborative workflows on a service-orientated architecture, Sterling TMS makes it easier for shippers like CONTECH and its carriers to manage practically all modes of transportation.

"Now we have a great dashboard that provides excellent reliability and visibility," Gaynor said. "Like most companies, we make important decisions based on key performance indicators. By having visual access to information, we've been able make better decisions for our transportation business based on empirical data."

CONTECH uses a standard costing system to measure increases and decreases in spending. According to Gaynor, "As a result of Sterling TMS, we've been able to keep our costs flat in a market in which costs have increased from three to seven percent. Having visibility into our spending in different markets has been extremely beneficial. We've basically saved money and mitigated cost increases over the years caused by fuel and capacity constraints in the market."

"We looked for a 'best in class' transportation management system, and IBM had it from the outset"

— Rick Gaynor, Vice President of Logistics, CONTECH

Key benefits

Automates tendering process
Since CONTECH's business predominately involves flatbed loads, the company manages a private fleet as well as more than a thousand small carriers to service regional markets. Sterling TMS has eliminated the manual process of tendering, thus automating the process with both contracted carriers and tenders via a bid process.

Eases contract process
Sterling TMS enables CONTECH to more easily deal with virtually any kind of carrier contract. Due to a large number of carriers, rate structures and contracts vary based on routes and mode of transportation. For example, the company manages short hauls with dedicated carrier contracts and long hauls with the bid process.

Improves accuracy of freight payments
When a carrier uses Sterling TMS to accept a load from CONTECH, both parties know the exact rates involved. Therefore, when CONTECH receives the freight bill, it's simple to verify the invoice's accuracy and to manage practically any additional assessorial charges quickly and more easily.

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