



Miles Ahead

CDS Logistics uses mobile computing to gain on its competition

BY ANDI VANCE



In a just-in-time world, timely and accurate delivery is critical. For construction companies, getting components like cabinets on time and undamaged is extremely important. If a driver arrives at a job site late or with a damaged or missing cabinet, it can cause extensive delays to a contractor's work.

CDS Logistics, an 18-year-old transportation company specializing in the delivery of kitchen cabinets to residential and commercial locations, manages a network of 31 third-party logistics providers that deliver products throughout a 33-state area. Proactively managing those network members requires state-of-the-art systems and leading-edge technology.

To minimize delays and costs to the end customer, cabinets are rushed from the manufacturer to the CDS warehouse, which could postpone other scheduled deliveries. To enhance the customers' experience and maintain schedules for other CDS deliveries, CDS needed to improve its shipping process.

"Delivering products late or damaged has a domino effect on all parties involved," said Steve Burgess, IT manager of CDS Logistics. "We needed to improve our processes to ensure customer satisfaction and maximize profits."

To help reduce shipping errors and improve customer satisfaction, CDS implemented an automated solution, using Intermec CN2B mobile computers along with a software solution from systems integrator CSSI.

"We spoke to several other companies that offered similar solutions, but they weren't quite right for us," Burgess said. "CSSI's software was tailor-made to fit our needs, and Intermec CN2B devices are known for their durability in warehouse environments. It was a solution that perfectly fit our needs."

Riddled with inefficiencies

Prior to implementing an automated system, CDS relied on paper-based solutions. Using the old system, cabinets were unloaded and stored upon arrival at the CDS warehouse and the inventory was manually checked against the packing list. Once an order was ready to be shipped, the cabinets would be removed from the warehouse and manually checked off on a piece of paper before being loaded on the CDS or distribution



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partner’s truck. This system was prone to human error and riddled with inefficiencies.

“The supply chain process was mostly manual, which presented issues,” Burgess said. “We needed a way to reduce the number of displaced cabinets, increase the accountability of the drivers and better document the distribution process. We also had to find a way of assuring that the right cabinets were getting on the truck and being delivered to the right location. The paper process just wasn’t working for us anymore.”

Shortages at all-time low

CDS has deployed 311 Intermec mobile computers to its drivers and warehouse personnel since February 2007. The computers begin tracking shipments as soon as they leave the manufacturer by notifying CDS personnel when a truckload of cabinets is en route to its warehouse. This notification includes a packing list of the items included on the order, which comes as an electronic data interchange document and is recorded into the CDS system. This data is then distributed to the mobile computers so items can be checked in and stored until it’s time for delivery. Once there is an order for delivery, the cabinets are loaded onto a truck.

There can be up to 250 trucks each day delivering a total of 800 different orders a day.

Once the delivery is made, the driver confirms the contents of the order using the CN2B, noting any damaged or missing materials. This data is then uploaded to the system and is transmitted to the cabinet manufacturer.

According to CDS’ chief financial officer Bill Kabernagel, CDS reported a 44 percent reduction in shortages after the implementation of the solution.

“This is the CDS network all-time low for shortages and it can be attributed to both scanning and hard work,” Burgess said.

In addition, CDS not only saves money because issues with the orders are often resolved on the spot, but the drivers are happy because they are able to make more deliveries and no longer have to deal with paperwork.

“We have been very pleased with the efficacy of the solution,” Burgess said. “It has really reduced the amount of errors we were making, while enhancing our value to the customer. It has also enabled us to bolster the services we are able to provide other customers. We plan to adopt similar solutions with other customers.”



More deliveries, fewer mistakes

Because drivers must pay for lost or damaged items in their inventory, the new solution also helps them better track the inventory in their shipments. This expedites the delivery process and saves money.

“The solution from CSSI and Intermec has really empowered the drivers, giving them the ability to save time when locating missing pieces,” Burgess said. “This ultimately speeds up the delivery process and allows them to make more deliveries and fewer mistakes.”

In addition, the CDS network’s increased efficiency, decreased shortages and timely reporting makes it a more attractive option to other customers. When more customers’ products run through the CDS network, it makes the network stronger, helping CDS to retain their network’s third-party logistics company members and attract new customers.

The bar code system used in the new solution has also improved the accuracy of the CDS billing process. With the old system, a network member might have been billed for an entire order even if a cabinet was missing. As a result, research had to be completed to reconcile the billing

amount with the number of cabinets the customer received.

“The new bar code system enables the CDS customer service department to bill for the exact number of cabinets delivered,” Burgess said. “Today we need to research approximately .075 percent of our invoices, which is much better than the amount of research performed with the old system.”

Ultimately, the solution developed by Intermec and CSSI has enhanced the services CDS offers its customers, giving them a competitive edge. It has empowered the drivers while optimizing the distribution process, putting CDS miles ahead of the competition. ■

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Resources:

CDS Logistics: www.cdslogistics.net

CSSI: www.cssi-pa.com

Intermec (CN2B mobile computers): www.intermec.com