

Line 6 Selects ShipExec™ to Reduce Cost and Drive Growth

Executive Summary

Line 6 was looking for a multi-carrier, enterprise level shipping solution that would continue to grow and evolve with the company's expansion and increased shipping needs. After reviewing numerous options, Line 6 decided to implement ShipExec™ for SAP® Enterprise Shipping.



"After implementing ShipExec, Line 6 experienced a 33% reduction in overtime and 10% reduction in overhead. The solution was implemented quickly, and we were shipping in a matter of weeks."

David Murphy, Manager US Logistics and Distribution

Solution Impact

Challenges

- Manual shipping process
- No real time tracking of information
- Human error
- Staff overtime

Benefits

- Real time results on shipment information
- Improved inventory control
- Increased transparency on logistics and tracking information

Results

- Reduced employee overtime by 33%
- Reduced overhead by 10%
- Customer service calls reduced by 90%
- Reduced inventory variance by 98%

Solution Selection

Line 6's legacy shipping software was a standalone system to their order processing software. Shipping labels were created separately after processing each order which was time consuming and subject to human error. They often experienced data issues including incorrect store numbers, zip codes and many other fields. Their processing software did not include a product verification indicator allowing the shipper to scan and ship incorrect product. As Line 6 ships many similar products, this caused quite an issue.

Another challenge for the Line 6 order management team was not having access to the shipping information on the legacy system as the solution was located in the distribution center. This meant that they would have to call or email the distribution center whenever they needed tracking information for customers. As this became very time consuming, it motivated a search for a better shipping solution. Line 6 considered numerous options and decided to implement ShipExec because it could be implemented quickly and cost effectively.

Business Process Improvements

Following the implementation of the ShipExec, Line 6 experienced a marked process improvement when manifesting small parcel as well as LTL movements through SAP. Shipping costs were reduced, and those costs were immediately available in SAP for review. Tracking information was also available in SAP the moment the label printed, increasing transparency for their logistics team.

Line 6 saw a significant improvement on inventory control after deploying the solution. Before partnering with CONTAX their inventory variance for 2010 was over \$24,000. After go-live, their inventory variance for 2012 was \$556 on an inventory of \$6.3 million.

In addition, overtime has been reduced by 33% year on year due to the reduction in processing time. Overhead has been reduced by 10% due to the reduction in time for processing orders, even taking into account an increase in order volume between 2011 and 2012.

Wrong address shipments are virtually nonexistent now as the system takes the address from within SAP and prints the labels automatically, as opposed to the previous method which required manually entry of the address from the delivery pick slip.

Customer service has full access to the tracking and shipping information in SAP, allowing for a 90% reduction in customer calls and inquiries on orders.



Item	Item Description	Quantity	Unit Price	Total Price	Category	Comments
1000000000	SHIP COST CHARGE (10000)	1.00	1.00	1.00	SHIP COST	
1000000000	SHIP COST CHARGE (10000)	1.00	1.00	1.00	SHIP COST	
1000000000	SHIP COST CHARGE (10000)	1.00	1.00	1.00	SHIP COST	
1000000000	SHIP COST CHARGE (10000)	1.00	1.00	1.00	SHIP COST	
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