



CLIENT SUCCESS

Visible Ink: See the Supply Chain, Serve the Customer

Ink Manufacturer Siegwerk Leverages Enterprise Logistics Partnership with Transportation Insight to Gain Supply Chain Visibility, Reduce Costs and Improve Service

Operating as a supplier to the cost conscious yet time-critical printing industry, leading ink manufacturer Siegwerk knew that customers placed a premium upon the prompt delivery of product. While cost was a concern, the supply chains of Siegwerk's customer base could not operate smoothly when key components failed to meet just-in-time arrival requirements. Shipment visibility relating to location and cost was extremely important to maintain sufficient operating margins. Siegwerk also had to be aware of the logistics costs required to serve each client. That depth of visibility required intense data mining and analysis, and that is why Siegwerk turned to global Enterprise Logistics Provider Transportation Insight.



The Challenge

Prior to its engagement with Transportation Insight, Siegwerk's supply chain data lacked the accuracy and thoroughness necessary to develop data-driven business strategies. The company did not have visibility to all of the activities – and costs – in its supply chain.

The company had to devote considerable time and effort working through incomplete invoice data from a previous freight bill audit and payment service provider to make information somewhat usable. Further, Siegwerk's logistics operations team made transportation recommendations to executive leadership as best they could given incomplete detail. But from experience, the company knew they needed additional insight beyond the limited data set.

As Siegwerk tried to improve supply chain management, the ink manufacturer was also in the process of an acquisition. Siegwerk not only had to address its own data challenges, but also had to assimilate the operational processes of this new acquisition into its growing and increasingly complex operations.

The work required to analyze and integrate the company's supply chain data with limited tools was arduous and time-consuming. To ensure Siegwerk's supply chain kept the company moving product to customers, its logistics team simultaneously had to address day-to-day service issues to minimize any late-arriving shipments. Because of the extreme focus required to adjust the inaccurate data from the previous freight payment agent, response times to customers were on the verge of being compromised. The company knew changes had to be made for the well-being of the business, but not at the expense of losing control of relationships with carriers and customers.

“The complete set of logistics data we receive from Transportation Insight helps us make strategic logistics decisions and determine other areas for supply chain improvement. We've been able to improve our service levels and response times to customers, and we've been able to decrease our inventory on hand by 14 days, a \$7 Million savings.”

Randy Rothfus
North American Logistics Manager, Siegwerk USA



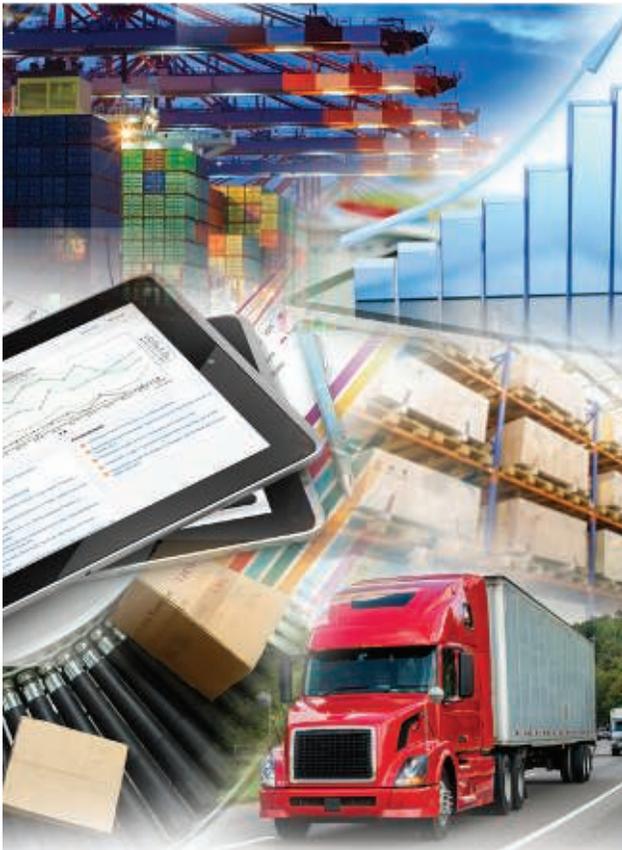
The Solution

Siegwerk sought an Enterprise Logistics solution that would help the company gain visibility to its costs, manage those costs and continue to provide top-notch service to a valued but demanding customer base. Siegwerk made the decision to engage in a Co-managed Logistics® partnership with Transportation Insight. As a co-managed Enterprise Logistics Provider, Transportation Insight delivered the tools and systems that Siegwerk needed to manage its supply chain with excellence. At the same time, Transportation Insight served as supply chain coach, teacher and trainer to the Siegwerk team while the company maintained total control of its relationships with customers, vendors and carriers.

Using a phased approach, Transportation Insight developed and implemented a less-than-truckload (LTL) sourcing strategy that enabled Siegwerk to lower its LTL transportation costs. The strategy also gave the company visibility to additional areas of opportunity to improve customer service.

As Siegwerk began to realize LTL cost savings, Transportation Insight initiated data collection on the company's full truckload shipments by paying truckload carrier invoices. This invoice data collection enabled Transportation Insight to establish cost benchmarks before engaging with the marketplace on Siegwerk's behalf to establish contracted carrier pricing.

From a technology perspective, Transportation Insight implemented Insight TMS®, its web-based Transportation Management System. All departments – including Customer Service, Purchasing, Logistics and Finance – gained access to critical transportation data through Insight TMS. In addition, the company worked with Transportation Insight to establish a web-based vendor routing compliance program to effectively manage inbound transportation costs.



On a day-to-day basis, company operations personnel depended on Insight TMS to help them make effective costing decisions for each shipment. From a more strategic perspective, Transportation Insight also provided data analysis that was instrumental in Siegwerk's review of Distribution Center (DC) system costs. That insight helped dictate the company's optimal DC setup across the continent.

Upon collection of Siegwerk's freight invoice data through its proprietary freight invoice auditing system, Transportation Insight's Supply Chain Analytics group displayed this data in a highly customized interactive metrics package. This level of data accessibility enabled Siegwerk to drill into its supply chain metrics from multiple angles and levels. The group also conducted advanced supply chain analysis at Siegwerk's direction, such as determining which DC could most efficiently serve each customer, and whether or not Siegwerk should ship directly to customers that were considerable distances from existing distribution points.

In addition to utilizing Transportation Insight's core service offerings of carrier sourcing, technology, financial settlement and business insight, Siegwerk leveraged Transportation Insight's comprehensive value-added warehousing and international service offerings to more effectively serve its customer base.

The Results

As a result of its partnership with Transportation Insight, Siegwirk now has the data visibility and the tools it needed to make critical supply chain decisions. The company can “see” its entire supply chain and maintains control of all logistics activities.

Siegwerk executives can now determine, with a great deal of accuracy, its total cost to serve each client. The company manages its margins with greater effectiveness and responds more quickly to changes in customer demand. Transportation Insight incorporates Siegwirk’s private fleet cost data into its metrics reporting, so that the company can determine on a historical basis whether shipments in certain lanes should have been moved using its private fleet as opposed to purchased transportation. Using Insight Fusion®, Transportation Insight’s proprietary cloud-based business intelligence engine, the Siegwirk team is able to quickly access and analyze massive amounts of supply chain data from anywhere in the world. Insight Fusion even allows the company to drill down to shipment level to ensure that the company continues to meet its cost-to-serve metrics.



The capability to analyze data at multiple levels, in addition to lower purchased transportation rates, higher accuracy in freight bill auditing and payment and profoundly improved supply chain visibility, enables Siegwirk to measure its true logistics costs for each customer. Additional value stems from the ability and passion of Transportation Insight’s Client Services team to act as an extension of Siegwirk’s logistics department.

Transportation Insight’s coast-to-coast warehouse network helps Siegwirk develop local presences quickly without the expense of purchasing brick-and-mortar facilities. The company now provides more expedited service to major customers in Salt Lake City, Houston, Chicago and on the West Coast.



Transportation Insight also acts as Siegwirk’s international freight forwarder by assisting the company with its export shipments. The 3PL’s extensive knowledge in the international space helps Siegwirk maintain total compliance in the ever-changing global marketplace.

The partnership between Siegwirk and Transportation Insight is Co-managed Logistics in its truest form – Transportation Insight provides an abundance of technology, information and real-world expertise, while Siegwirk makes all the logistics decisions. In addition, true to its continuous improvement mindset and spirit of innovation, Transportation Insight is always collaborating with the company to identify potential areas of opportunity to refine processes, remove cost and help Siegwirk deliver at a higher level for its customers.

“Our Client Services team at Transportation Insight gives us great analytical perspective. Before we see the data, they’re analyzing it, applying their experience and making recommendations on where we might consider shifting the manufacture and distribution of our products to best serve our customers. They’re a really big asset to our team.”

Randy Rothfus - North American Logistics Manager, Siegwirk USA

Going Forward

Siegwerk's co-managed partnership with Transportation Insight continues to bring a high level of confidence and control to the company's logistics operations. By empowering Siegwerk with access to transportation industry expertise across all modes, improved rate structures, cutting edge technology, along with complete and accurate supply chain business intelligence, Transportation Insight continues to help the ink manufacturer optimize its end-to-end supply chain, improve overall business performance and create substantial enterprise value.

With Transportation Insight's heft of logistics and business process expertise, Siegwerk knows that Transportation Insight always has its best interests at top of mind. Siegwerk can focus on maintaining its superior service levels and investing in innovation, while Transportation Insight supports efforts to ensure the company's supply chain is always performing at an optimal level.



Annual Financial Impact

■ Logistics Cost Reductions: Rate Savings - All Modes	13%
■ Logistics Cost Reductions: Rate Increase Avoidance - All Modes	13%
■ Logistics Cost Reductions: Invoice Error Cost Avoidance and Logistics Administrative Cost Savings: All Modes	2 %
Total Logistics-Related Cost Reductions	28%
Total Annual Inventory Reduction Savings	\$7 Million

“Transportation Insight provides a vast level of real-world knowledge and experience to help us identify and implement ‘best case’ solutions. Our company is much stronger due to the supply chain visibility Transportation Insight provides. We are making better decisions that positively impact our costs, inventories and service.”

*Randy Rothfus
North American Logistics Manager, Siegwerk USA*