

▶ DC Logistics

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— DOUG CHANEY, PRESIDENT, DC LOGISTICS



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► manage disparate customer data across the supply chain.

Business Issues

As a start-up, third-party logistics (3PL) provider, DC Logistics needed to set itself apart from established companies in order to attract customers and launch its business. With the rapid introduction of radio frequency identification (RFID) devices into the wholesale and retail industries, DC Logistics saw an opportunity to positively differentiate itself by filling the void in RFID capabilities among warehouse operators.

To implement this state-of-the-art IT infrastructure, DC Logistics chose to partner with SSA Global to implement SSA Warehouse Management and SSA RFID for Distribution.

The Company

DC Logistics is a third-party logistics provider that offers outsourced warehousing and transportation management services using industry-leading RFID capabilities. The company was formed in 2003, with a primary focus to help mid-tier companies who supply consumer packaged goods products to leading U.S. retailers, including Wal-Mart®, Albertsons® and Target®.

DC Logistics operates its 150,000 square foot RFID Deployment Center near Dallas, Texas, which offers a comprehensive RFID solution to meet the specific requirements of Wal-Mart, the U.S. Department of Defense and other organizations. DC Logistics capabilities include product and pallet tagging, cross-docking and consolidation services.

The company handles warehouse and transportation management for import/export as well as domestic distribution.

company -----	DC Logistics
solution -----	SSA® Supply Chain Management
product -----	SSA WMS and SSA RFID for Distribution
platform -----	Sun® Microsystems
operating system -----	Sun Solaris™ / Microsoft® Windows®
database -----	Oracle®
industry -----	Third-party Logistics
country -----	USA

What's Critical

As a new entrant into the logistics business, it was critical for DC Logistics to offer prospective customers an RFID-based solution that was equal to or better than the large national and international transportation and logistics providers. The solution also had to be compliant with requirements from retailers and needed to be integrated into the core of the company's overall IT infrastructure.

“IT system sophistication at an affordable cost is fundamentally important to our competitive positioning,” says Doug Chaney, president of DC Logistics. The warehouse management solution had to enable DC Logistics to use RFID capabilities to receive, track, prepare goods for distribution and track outbound shipments.

It was critical for the solution to have the flexibility necessary to track and keep separate data from multiple customers. It was also critical for the solution to manage the unique characteristics of a wide variety of products — from flour to telephones; provide visibility of clients' inventory; and offer accurate billing for 3rd party logistics services rendered.

For DC Logistics, timing was critical. The company was setting up operations just as the preparation for major RFID utilization in the retail and distribution industries was beginning. “We were in the right place at the right time,” continues Chaney. “But it was essential that we had a warehouse management system that could be implemented quickly and inexpensively if we were going to leverage the opportunity.”

Finding the Right Solution

“During our planning for the company and the RFID Deployment Center, I approached SSA Global because they offer the leading warehouse management system for multi-customer, outsourced logistics providers,” says Chaney, a long-time leader in the 3PL industry. “Early in our discussions, it became obvious that SSA Global was ahead of the curve on the development of automatic identification (auto id) solutions that leverage the emergence of RFID technologies and well-established bar code applications.

While the company had leading solutions in its own right, the SSA Global team also realized that to best serve the needs of DC Logistics it would need to partner with a wide range of hardware and specialized software providers. Toward that end, DC Logistics and SSA Global partnered with

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► automatically fulfill compliance requirements for regulated goods.

industry leaders such as Sun Microsystems, Sun's implementation partner, SIS Technologies, and several smaller hardware and software providers.

According to Chaney, the total solution is second to none in the industry. The system can track products electronically using either RFID or bar codes. “We have computers on the forklifts so as drivers pass through the door their loads are read automatically. This is supplemented by the use of hand held computers by workers on the floor in the warehouse.”

Commenting on the global nature of consumer goods manufacturing and distribution, Chaney credits the SSA Global solution for its support of 20 languages and the ease with which it can support the movement of information across the global supply chain.

“I was impressed with the practical, customer-centric approach the company was taking,” he says, adding that the SSA Global solution enabled him to quickly and easily implement the RFID solution without a time consuming and costly consulting phase.”

Implementing Fast

“From our perspective, the implementation was very smooth,” Chaney says, who notes that the RFID implementation at the company's distribution center was up, running and ready for business when the Wal-Mart RFID system came on line. “I think part of the success of the implementation can be attributed to the excitement everyone on the team felt from working on a project that was truly innovative.” This attitude was held by representatives of all companies on the project and was particularly evident during the training provided by SSA Global.

Making it Pay

The SSA Global solution is enabling DC Logistics to reduce its operational costs as well as those of its customers. “For example, the SSA Global solution helped us reduce average loading time for a shipment by as much as 30%,” Chaney says. It also has equipped DC Logistics with an efficient way to track the value-added services it provides and send invoices to its customers that are both accurate and timely.

In addition, the SSA RFID for Distribution and SSA WMS solutions are helping DC Logistics provides its clients better visibility into their freight shipments because tags are placed on goods at the RFID Deployment Center. As a result, DC Logistics has been able to compete with larger providers because of the ability to leverage information from the SSA solutions and share it with their customers.

The benefits of the SSA Global solution extend beyond reducing the costs for DC Logistics and its existing customers. “I've been able to attract several new customers simply because of the sophistication of the SSA Global solution,” he says.

Forward Faster™ - Into the Future

DC Logistics is committed to working with SSA Global to leverage the fast-emerging opportunities in RFID-based warehouse and transportation management. There is a growing need to track goods using RFID as they move around the globe, says Chaney, who notes that this trend stems from the globalization of the supply chain and the increased focus on security and product safety.

The company is exploring additional supply chain offerings from SSA Global as well as franchising the combined technology and business solution developed by SSA Global and DC Logistics. “I see a big opportunity in leveraging the SSA Global solution and geographically expanding this business model through a connected network of warehouse providers,” Chaney says.

“The traditional ‘black holes’ of data in the global supply chain are small- and mid-size warehousing operations with unsophisticated WMS systems written internally that are not able to connect with the rest of the world. With the SSA Global partnership, I'm sure we will be able to move quickly to leverage opportunities and provide an ever-expanding range of services.”

about SSA Global

SSA Global is a leading provider of extended ERP solutions for manufacturing, distribution, retail, services and public organizations worldwide. In addition to core ERP applications, SSA Global offers a full range of integrated extension solutions including corporate performance management, customer relationship management, product lifecycle management, supply chain management and supplier relationship management. Headquartered in Chicago, SSA Global has 63 locations worldwide and its product offerings are used by approximately 13,000 active customers in over 90 countries. For additional information, visit the SSA Global web site at www.ssaglobal.com.



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