

SUCCESS STORY:

Star Pipe Products Increases Cost-Savings, Streamlines Operations With LIVE Connect™

INTRODUCTION

When Patrick Kirbow joined Star Pipe Products 16 years ago, he wanted to standardize operations across the company's 14 North American regional distribution centers. Kirbow, Vice President of Operations at the global manufacturer and supplier of a broad array of iron products, had a simple goal: run each facility the same way.



THE CHALLENGE

The company had previously implemented a less-than-truckload (LTL) transportation management system (TMS) that required too much manual data input. Kirbow needed a better option.

“As tariffs got more complicated, we had to do even more data entry. I needed a rate-shopping solution,” Kirbow said.

THE SOLUTION

That need led him to Banyan Technology, a leading provider of freight management software for over-the-road (OTR) transportation, that was described to Kirbow as a “high-speed, low-drag organization.”

Banyan's development team went to work creating a flexible API solution that connects Star Pipe's TMS to its warehouse management system (WMS), programmatically tendering freight to the best value carrier with the fastest transit time.



FREIGHT TECHNOLOGY YIELDS CREATIVE OPERATIONAL SAVINGS

Kirbow's goal was to implement a freight technology solution that would pay for itself, but savings couldn't come from freight-cost reductions alone.

"We were already saving on freight because we negotiated good contracts, so the system had to save us money in other ways," he said.

It did - many times over.

Before incorporating Banyan's technology, an employee at Star Pipe Products' distribution centers rate-shopped and purchased freight manually. Automating the process eliminated the need for those tasks and freed up employees to manage work that more directly impacted the company's bottom line.

"Our cost to use Banyan's technology is about the equivalent of one salary, and we're saving on six or seven of them," Kirbow says.

The technology also help make it possible for the manufacturer to centralize carrier relationship management and freight buying. With rates negotiated by headquarter staff and purchasing automated by Banyan's technology, there's no need for carrier sales representatives to meet with logistics personnel at each facility.

"Carriers are always impressed with the amount of data we can give to them," he said.

UNIFORM PROCESSES AND SYSTEMS

Centralized carrier management and automated freight purchasing are just two pieces of Kirbow's strategy. Other aspects of operations and logistics are now standard across all 14 locations.

"We're mimicking McDonalds. A Big Mac is a Big Mac wherever you go. Our distribution centers are the same from location to location, too."

He cited a recent example of how this strategy contribute to the organization's effectiveness.

"When a key Salt Lake City distribution center manager was on vacation, one of my top people from Kansas City stepped right in to take his place. He knew what to expect from the operation in the same way that employees knew what to expect from him. There's no, 'We don't do it that way in Salt Lake,' and that improves our efficiency," Kirbow explained.

As Star Pipe Products and Banyan Technology have grown together over the decade we've worked together to continue to collaborate in ways that leverage and improve the manufacturer's evolving systems.

"(We) kicked off Banyan with bringing all of my carrier reps into one room. I no longer need to do a regular or annual RFP, because we agree to terms on rate increases," Kirbow said. "If the market, blanket increases 5.5% for the year it will only take a 1% blanket increase, but if you need to adjust higher on specific lanes that aren't profitable, no problem, because if they increase too much, I likely already have another carrier who is lower."

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- Patrick Kirbow

ABOUT BANYAN TECHNOLOGY:

Banyan Technology provides the industry's most flexible technology solution with the most carrier connections for real-time rating, scheduling, and tracking of shipments. Our LIVE Connect™ platform delivers innovative resources to help clients make better decisions through increased data availability and shipment visibility, saving them time and money.



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