



Success Story

INTRODUCTION

SUCCESS STORY: Star Pipe Products Increases Cost-Savings, Streamlines Operations with LIVE Connect™

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.

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.

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.

"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." - Patrick Kirbow

RESULTS

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 says.

It did - many times over.



Before incorporating Banyan's technology, an employee at many of 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 and support is about the equivalent of one of those salaries, and we're saving on six or seven of them," Kirbow says.

The technology also helps make it possible for the manufacturer to centralize carrier relationship management and freight buying. With rates negotiated by headquarters 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 says.

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

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

He cites a recent example of how this strategy contributes 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 explains.

As Star Pipe Products and Banyan Technology have grown together over the decade we've worked together, the organizations have continued to collaborate in ways that leverage and improve the manufacturer's evolving systems so they deliver what's needed.

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

ABOUT BANYAN TECHNOLOGY

Banyan Technology, the leading provider of over-the-road (OTR) shipping software, delivers real-time intel, actionable insights, and instant access to information to help drive greater operational efficiencies and cost savings for Shippers, 3PLs, and supply chain partners. Our LIVE Connect™ platform provides rating and shipping execution from a single screen for Truckload, LTL, Local Carrier, and Parcel. To learn more, visit www.banyantechology.com or connect with us on LinkedIn, Facebook, and Twitter.



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