

CLIENT SUCCESS STORY

INBOUND FREIGHT MANAGEMENT

A MAJOR OIL & GAS OEM GAINS CONTROL OVER INBOUND FREIGHT AND ELIMINATES INEFFICIENCIES AND PRODUCTION DELAYS

Client Snapshot

The major Oil & Gas OEM Client is a global manufacturer of products for oil and gas companies in upstream, production, transportation, refining, and related industries. Products include well service pressure pumps and flow control products; engineered, mechanical, and rotating equipment; and oil field and drilling equipment.

The Challenge

Due to the specialized nature of their products - specifically the volume of customized products - the Client requires a diverse range of supplies which exceeds their available inventory space, causing them to utilize a Just in Time (JIT) inventory style. The volume of inbound shipments is high and constant, which caused a backlog of inventory and trucks at the receiving dock. A truck line sometimes reaching a half-mile behind the receiving dock would wait for hours as clerks unloaded freight as quickly as possible, utilizing a small staging area while struggling to inventory freight as it was received. Drivers often left without dropping the freight, charged driver detention fees, or unloaded freight at an outbound dock (requiring a dedicated Client driver to reload the freight and move it to the correct receiving dock). These delays caused a slowdown in production of finished goods - a critical issue for this time-sensitive business.

The Solution

The eShipping team conducted a time study of the Client's receiving and shipping docks and implemented a solution in three phases. The first phase focused on gaining visibility and control over all inbound freight. For Client-paid shipments, suppliers were required to route the freight through eShipping, while supplier-paid

shipments required either the supplier or carrier to notify eShipping of the shipment and set up an appointment time. The second phase focused on identifying peak hours and rescheduling consistent drivers to off-peak times. The third phase focused on managing the receiving dock and inventory process. It was determined that a short-term storage location would improve organization on the staging dock, and because of the new visibility into all shipments, eShipping was able to help the Client identify which freight could be offloaded in the yard and designated pull-through areas.

The Results

Shipments now arrive on a schedule at the correct receiving dock, and eShipping is able to schedule less crucial deliveries during off-peak hours. Drivers wait in much smaller lines and receiving clerks are better able to manage the flow of goods into the dock. The need for a dedicated Client driver to move freight from and outbound dock was eliminated and there is no longer a slowdown in production caused by a backlog of inbound supplies. Since the implementation of these solutions, eShipping has offered further improvements including inbound freight consolidation and a Purchase Order Hold process which allows suppliers to ship only if they meet specific requirements determined by the Client.

The eShipping team conducted a time study of the Clients' docks and implemented a solution in three phases; visibility of inbound freight, peak hours scheduling, and receiving dock and inventory organization management.