

# smartmoves @clipsal



Clipsal has made its supply chain a strong differentiator in the highly competitive electrical products distribution market, with the company offering same or next day FIS delivery throughout Australia to more than 3500 locations.



John Hore, General Manager Logistics

## Moveitnet delivers competitive advantage for Clipsal

**A key enabler in Clipsal's supply chain is Moveitnet, an Australian online delivery and carrier management system, which provides real-time track, trace and control of all shipments, regardless of carrier or mode of transport.**

Clipsal's General Manager Logistics, John Hore, said: "We were one of the first companies in Australia to recognise the brilliant simplicity of Moveitnet and it quickly became an integral component of our supply chain strategy.

"Moveitnet lets us track all of our shipments and all of our carriers on the one system, in real-time via the internet. The real beauty with Moveitnet compared to other carrier or dock-based systems we've seen, is that it doesn't matter what we send to where with whom, it's all facilitated and managed by Moveitnet."

### Moveitnet delivers Supply Chain Savings

Since making the switch to Moveitnet, Clipsal has consistently achieved savings of more than \$1 million/p.a. through freight consolidation, the elimination of human error in completing freight documentation, and improved productivity, doubling turnover with the same number of staff.

"One of the real benefits with Moveitnet is that it consolidates multiple orders to a single location, which is important for us because customers may order up to three times a day. Having a system that does this automatically delivers significant freight consolidation savings," said Mr Hore.

"Moveitnet also automates the despatch process for us, automatically generating labels and documentation in the relevant carrier's format, eliminating handwriting and data entry errors," he said.

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— Roy Plummer

These savings are further boosted by an overall reduction in debtors by several days. "With Moveitnet providing online PODs (Proof of Deliveries), it eliminates excuses about deliveries to delay payment, which means customers generally settle their bills quicker, resulting in an extra \$2-3 million in positive cash flow benefit for the business," said Mr Hore.

Since implementing Moveitnet, Clipsal's turnover has doubled, following its merger with Schneider Electric in 2004.

"The fact that we have been able to effectively double our throughput with the same number of staff speaks volumes about the increased productivity of our people since we made the switch to Moveitnet," said Mr Hore.

### Moveitnet delivers Business Integration Synergies

One of the drivers behind the merger of Clipsal and Schneider Electric was supply chain rationalisation, with Clipsal becoming responsible for Schneider's national distribution.

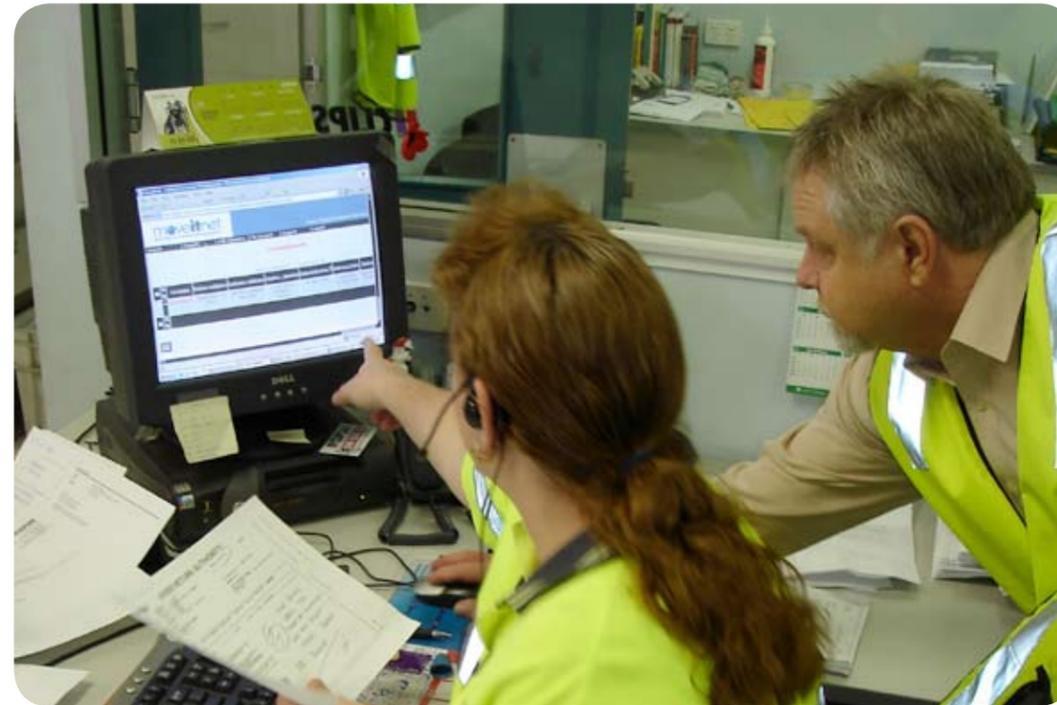
"If we didn't have Moveitnet, I have no idea how we would have coped with the additional workload," said Clipsal's Distribution Manager, Roy Plummer.

"Fortunately, thanks to Moveitnet, we had the perfect bridge between both companies IT systems. Clipsal's IT system is based around the ERP package Movex, while Schneider runs on BPCS," explained Mr Plummer.

"Trying to bring two totally different data streams together to facilitate common distribution would have been very difficult, time-consuming and costly to achieve from an IT perspective.



Roy Plummer, Distribution Manager



"With Moveitnet, we didn't have to worry about integrating the business systems at the back end at all. Moveitnet accepts data from both Clipsal's and Schneider's IT systems, providing Clipsal and Schneider with a single user interface and full distribution accountability," he said.

### Moveitnet delivers Informed Decision-Making

"Another benefit of using an independent delivery and carrier management system like Moveitnet is that you can change carriers without changing systems, and you don't need to keep on retraining people on how to use different carrier or dock-based systems," said Mr Plummer.

"Prior to Moveitnet, we were operating a large number of manual and four separate computerised carrier systems. Administration was a nightmare," he said.

"Trying to keep the manual systems up to date was very laborious and time-consuming and the data was never 'real-time'. The computerised carrier systems were not much better. They meant four IT systems to maintain and four lots of training for anyone to use the systems.

"With Moveitnet, you are not relying on one access point that can easily become a bottleneck. All you need is a PC with internet access. This is also an advantage as our managers can log in to the system at any time, from anywhere in the world."

The quality of information Moveitnet generates greatly improves supply chain visibility, added Mr Plummer.

"Every day, Moveitnet sends each of our DC managers around the country a

new data file from the day before. This provides 13 months of comprehensive freight transaction data at their fingertips, which helps to take the guesswork out of distribution and enables our managers to make better informed decisions and forecasts," he said.

### Moveitnet delivers Customer Service Savings

Commenting on how Clipsal managed distribution before Moveitnet, Clipsal's Customer Service Supervisor, Anna Mobbs, said: "We had an effective ERP system that managed all activities up to the moment goods reached the despatch dock.

"But from that point on, it was a bit like despatching goods into a black hole.

"We had no real control over what happened. At that stage we were using more than 100 different carriers nationwide, so when a customer called to enquire about the whereabouts of a delivery, providing answers was a difficult and laborious task."

"Now, however, each time Moveitnet releases a consignment for shipping, the receiver is automatically sent an Advance Shipping Notice (ASN) by email, with a hyperlink for them to check delivery progress online," said Ms Mobbs.

"This has reduced the level of customer service enquiries by about 95%.

"Before Moveitnet, we used to have one person at each state DC handling customer service inquiries, but now we handle whatever customer service enquires we get via the head office in Adelaide," she said.

### Moveitnet delivers Effective Financial Management

With around 800,000 consignments per annum, Clipsal spends a lot of money on freight, so it pays to have a delivery and management carrier system that accurately calculates the contracted freight price of each delivery, so that bills can be checked prior to payment.

"Moveitnet provides full carrier billing reconciliation and this makes checking invoices a breeze," said Clipsal's Group Credit Controller, Robert Jackson.

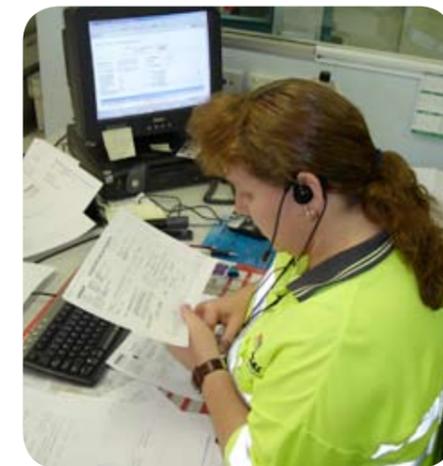
"One of the features that has also made our job in the finance department easier is that Moveitnet lets the user allocate freight costs by division, business unit, product, state, sales area or customer.

"It also eliminates any unauthorised freight expenditure by only allowing the user to select carriers that are authorised for specific routes and service levels, which means no nasty surprises when the freight bills come in," he said.

"Moveitnet also provides us with easily customised management reports that enable accurate analysis and comparison of a wide range of financial KPIs, such as costs per service level per carrier, and costs by division, state or customer," he said.

Another big advantage of Moveitnet from a financial management perspective is the preparation of month end freight accruals. Before Moveitnet, providing analysts with a 'flash result' at the start of each month was a constant challenge, said Mr Jackson.

"But with Moveitnet, we are able to tell, very accurately by the second day of the month, whatever amount for freight should be taken up in the accounts," he said.



Anna Mobbs, Customer Service Supervisor



*"Each time Moveitnet releases a consignment, the receiver is sent an ASN by email, with a hyperlink to check delivery progress online. This has reduced customer service enquiries by about 95%."*

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– John Hore



### Moveitnet delivers Accurate Freight Data

Prior to Moveitnet, calling a national freight tender was really a bit of a shot in the dark, said Clipsal's General Manager Logistics John Hore.

"We had a fair idea of what we needed from a coverage and service level, but we didn't have much hard evidence to back it up, and the process involved a fair degree of 'guesstimation'.

"Now with Moveitnet, we can provide carriers with a constantly updated snapshot of our freight requirements at a moment's notice. From the data we collect every day through Moveitnet, we now have a very clear picture of our distribution freight requirements.

"For instance, over time we have been able to establish, very accurately, what our actual average cubic density is. So instead of being charged on an 'industry-standard' base rate, we get charged on what we actually ship, which has delivered significant freight cost savings."

Moveitnet Analytics also provides users with a host of customisable tools for monitoring distribution performance, enabling Clipsal to accurately compare the performance of carriers against any number of variables, such as on time deliveries.

### Moveitnet delivers the Future of Delivery & Carrier Management

"One of the great things with Moveitnet is that the service just keeps on evolving and offering greater functionality," added John Hore.

"When users like us decide we'd like the package to offer some additional functionality, Moveitnet develops the solution, beds it in and then offers it as a general upgrade to all users, when the next scheduled update is released.

"This way, any time any one of the Moveitnet user community comes up with a good idea to improve the system, we all get to benefit from it. New functionality just falls from the sky," said Mr Hore.

The service we receive from Moveitnet is excellent, and it has been very much a win/win relationship, he said.

"Clipsal and other users have helped Moveitnet develop their system to the point where it is probably the most outstanding delivery and carrier management system in the world, and they have helped us to achieve a strong competitive advantage in our market.

"We look forward to continuing our journey with Moveitnet, and finding new and better ways to enhance our distribution and customer service performance," he said.



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