

Northline looked to offer clients freight visibility, without building an IT empire or locking out carrier choice



Open solution

As a long-haul specialist, Northline invests considerable time, attention and investment in the people, processes and infrastructure required to make freight forwarding simple and cost-effective for their clients. It was with this in mind, Chief Financial Officer (CFO) Paul Talkington reviewed the company's system requirements three years ago.

At the time, the transport majors were busy hawking around proprietary freight booking solutions. Installed at clients' sites, the software aimed to lock clients into using a single carrier. Customers demanding choice found themselves using multiple software systems on a bank of PCs to raise and print connotes and labels; depending on which carrier was being used.

Northline focus on growing medium-sized clients who are looking for

a service-oriented carrier. Often their business is too small for the majors to manage closely and too large for smaller carriers, who lack Northline's depot infrastructure.

"Our strategy is invite clients to become a big fish in our small pond. If you are a million dollar account, you won't even get a Christmas card from the majors. With us, you get personalised service," Paul Talkington explains.

"We're a niche player. We prefer to talk to clients, understand their strategy and show we can add value to their business. It's about being a strategic partner."

Looking forward, Northline realised their future success demanded strong subcontractor relationships. It also required a system capable of managing the information flows between all parties in the supply chain — without creating a complex and expensive IT

monster. An online solution seemed ideal.

"We didn't want all our data to be held on five year old office PCs. If it blows up, who sorts it out? [The solution] needed to be online and accessible," he says. "We wanted to be flexible and nimble, without building an IT empire and an army of sales reps."

Online

Shrugging off initial scepticism of dot.com solutions following the tech crash, Talkington was impressed by a Moveit presentation. Moveit founder Richard Pagliaro recognised the potential of the Internet to bring together previously fragmented supply chain transactions and secured venture capital to develop the system.

Moveit's central database hub is hosted offsite in Adelaide with full

power back-up and disaster protection plans in place. All authorised parties in the supply chain are able to access the data online through a single interface.

“Our main market is medium to large shippers. If they are using multiple carriers, we’re the perfect solution — it gives them real visibility and control of their freight,” says Moveit Chief Executive Chris Burnett.

In other words, it was the antithesis of the proprietary solutions being pushed by the transport majors.

Northline shared a similar vision and became early adopters in 2001. Transaction data is now stored on Moveit’s ‘server farm’ and authorised parties can check on the progress of their shipments by logging onto the Internet.

Paul Talkington says the concept is no different to Northline subcontracting its truck and rail movements, or

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running its forklift fleet on operating leases. All the essential functions demanded by major clients — such as booking, track and trace, online PODs and KPI reporting — are accessible seamlessly from the www.northlinefreight.com.au website.

“Everyone wants the best rates, service, customer KPI reporting and technology. But the reality is you don’t get a Ferrari for the price of a Mini. Our solution offers clients real choice and value for money,” he says.

Moveit charge a licence fee, based on the number of user accounts and the volume of transactions (a few cents per transaction). The technology provider also manages the database, development and systems integration issues.

“As an Internet-based system it is infinitely scaleable. The costs don’t escalate, they diminish per user as its use increases,” Burnett adds.

Profile: Northline

Northline is a privately owned freight logistics company established in 1983. It provides an extensive range of transport services, from long haul road train and rail container travel, to high-tech warehousing and home delivery. It is one of the largest logistics service providers operating on the Adelaide—Darwin railway corridor.

Under the leadership of Managing Director, David Harford, Northline has developed a reputation for the storage and distribution of specialised and sensitive cargo; as well as large-scale and refrigerated freight. Its main customers are from the building and construction, mining, exploration, consumer goods, automotive and pharmaceutical industries.

Headquartered in Adelaide, the Northline network now covers mainland capital cities and major regional locations in the Northern Territory (Alice Springs, Tennant Creek & Katherine) and North Queensland (Cairns). The company employs over 300 employees and dedicated sub-contractors.

Northline recently signed a service agreement with FreightLink, placing up to 80,000 tonnes of freight on the railway each year. Harford says rail has caught up with road freight in terms of speed, which makes consistency and reliability the order of the day.

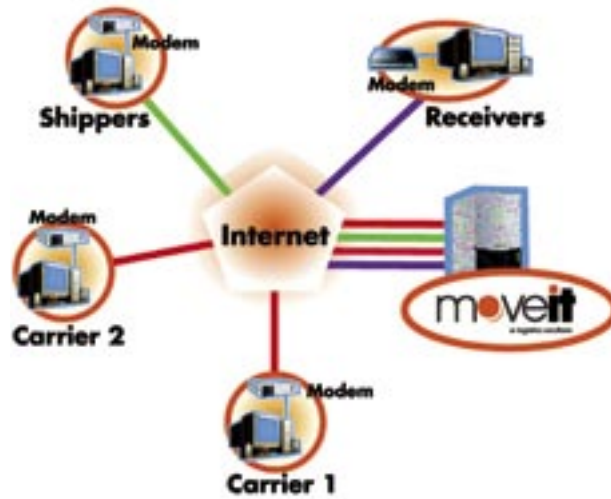
"Clients are driving us toward "time definite" solutions with information and service that gives them transparency on what is happening with their freight," he says.

"We are also witnessing a continuing trend toward companies outsourcing non-core activities such as warehousing, distribution and other related activities. Our continued investment in facilities and systems in this area reflects the potential for us to become an integral part of our clients business rather than simply a transport company." ■

Client benefits

Cork International, who distribute personal care and hair fashion items, use Moveit to manage multiple carriers — including Northline — through a single web interface. Instead of printing con notes locally, the despatch data is processed via the Moveit hub. Carriers receive an Advanced Shipping Notice (ASN) detailing consignment data in electronic format.

"We receive a file, sort the data in a spreadsheet and send it to our depots, who print the consignment notes, labels and manifests locally



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ready for staging," says Talkington. "It used take a whole morning to stage the loads, now it takes hours."

Northline's depots read the carton barcodes on receipt to update the system's track and trace status in real time. Proof of Delivery (POD) paperwork is scanned and the image uploaded onto the server. Clients receive an emailed delivery confirmation, with a link to view the e-POD online.

Part of the challenge is to ensure carriers at the end of the chain put the information back into the system. Northline works hard to ensure its subcontractors participate.

"You won't get a country carrier to buy or \$3,000 barcode scanner, or punch in 19 barcode digits — we're not there yet. But they can access a PC," Talkington says.

"You are only as strong as your weakest link. It has to be simple and easy for them to use."

Early delivery notification allows the consignor to raise invoices faster and reduce their debtor days. Consignment data is also matched to freight rates stored on the Moveit hub to report carrier freight costs and eliminate the need for invoice checking.

Clipsal use Moveit to manage 250,000 consignments a year through 52 carriers and 11 despatch points; it gives them an instant picture of their freight movements from an Internet-enabled PC. It used to take the finance department days to reconcile freight payments. Now the rates are in the system and the manifest is fully-costed.

Other clients now using Moveit include Bridgestone, Hagemeyer, Taubmans, Toshiba and Toyota. The Wine Society contract Northline to

manage cartonised wine deliveries to over 48,000 members. Moveit is also used to manage inbound logistics for the remote Alcan Gove plant.

Northline claim the freight visibility has increased its success rate in securing new business by 80 per cent. Importing data text files out of Moveit allows the forwarder to update its own Global Systems 3000 back office logistics system and run management reports. It also generated administrative savings by reducing customer queries.

"As long as we use Moveit, the query can be answered immediately because the data is online. Or the customer may prefer to logon and do it themselves [using their own order number]," he says. "It has lowered our customer service costs significantly." ■



Paul Talkington and Chris Burnett