

Customer Success Story

Leggett & Platt

Navigates Ocean Shipments with Descartes

Leggett & Platt is a diversified developer and manufacturer of engineered steel components and products that can be found in virtually every home, office, retail store, and automobile. With 2007 sales of \$4.3 billion, the 125-year-old company serves a broad suite of customers that comprise a “Who’s Who” of manufacturers and retailers. It has 22 business units, 24,000 employee-partners, and more than 250 facilities in 20 countries.

Ocean’s Ten

Leggett & Platt serves thousands of customers in 100 countries around the globe, and works with 10 carriers, including five major carriers in Asia and additional niche carriers for its South American, Australian and European import, export and foreign-to-foreign activities. Despite the scale of its shipping activities, Leggett & Platt was using manual processes and spreadsheets for tracking shipments being made by its ocean carriers.

According to Wayne Kaminski, Director of International Logistics at Leggett & Platt, having access to timely information on ocean shipments was becoming a necessity. “We wanted up-to-the-minute tracking so we could get a better idea of when shipments would reach their final destination. Even though some carriers had improved their reporting processes to include some level of automation, we still had to transfer information from 10 different carriers into 10 spreadsheets.”

He notes that because of this manual processing, even very routine information was often inaccurate or was simply not recorded at all. “We had lots of instances where things went astray. At other times, containers would just show up because some carriers did not providing tracking capabilities. Arrival notices were also coming in from all over the place and everyone was trying to direct carriers on how they should set up their bill of ladings.”

Adding to the challenge was the fact that the company had little insight into foreign-to-foreign shipments (e.g. Asia to Australia, or Asia to Europe). “With all international business being handled out of Chicago, our visibility into foreign shipments was limited,” says Kaminski.

Customer service was also impacted he adds. “With thousands of customers and 250 branches to deal with, providing the correct information was tough. We definitely needed better visibility into the entire process, and an easy way to centralize and standardize our shipment processes and capture information electronically from our carriers.”

Turning the Tide with a Proven Logistics Partner

To gain greater control over all aspects of its ocean deliveries, Leggett & Platt implemented a number of logistics management solutions provided by Descartes.

Among the Descartes solutions being used today by Leggett & Platt is Descartes Rate Builder, which leverages the Descartes Global Logistics Network (GLN) to enable electronic information exchange with carriers. Today, eight of 10 carriers and freight forwarders used by Leggett & Platt can be accessed through the Descartes GLN.

Descartes Rate Builder is used to automate and manage ocean freight audit functions. "Previously, we had an audit process in place for about 25% of all shipments," explains Kaminski. "Today that's increased to 80%."

By automating audit functions, Leggett & Platt has reduced the amount of cash payments made in error and the time spent recouping those funds. Error rates of 10% to 15% on bills of lading have been virtually eliminated as they now get audited and corrected prior to payment.

In addition, shipment status messages are automatically updated in the Descartes Multimodal Track and Trace application. Previously, multiple spreadsheets were used to track shipments, but they were only available to a limited number of staff in one or two offices. Today, Descartes' Multimodal Track and Trace is accessed online by 225 users, including employees at Leggett & Platt's Chicago office and branches around the globe.

"Employees at our branches no longer need to call us to check the status of their containers. Now someone can log in from an office in China to check the status of a shipment – regardless of the carrier – any time of day or night. Before, they may not have been able to reach anyone because of the time difference,"

says Kaminski. "Descartes essentially provides us with a single version of the truth through a single point of contact, which in turn enables us to deliver better customer service."

In addition, Leggett & Platt has been working with Descartes on improving and standardizing its customs compliance functions. "In the past, branches were using every freight forwarder possible," says Kaminski. "Having visibility has allowed us to centralize customs compliance through just a handful of corporate approved brokers and forwarders."

According to Kaminski, the improved visibility into shipment status also has provided the ability to prepare reports on its shipping operations in a timely and accurate manner through Descartes Reporting Services. "Reporting was once a manual process where we had to manipulate information captured on spreadsheets, but now we can gather information and run reports at the click of a button."

Comprehensive reporting capabilities have played a key role in improving Leggett & Platt's bid process. "We have an average of 25,000 to 30,000 containers being shipped annually through 1,000 different trade lanes, from Shanghai to Santos, Brazil. It used to take months to gather information from the different trade lanes," explains Kaminski. "But with real time insight into volumes that each carrier is shipping and other essential data, we now have a stronger bargaining chip when negotiating new rates and contracts with carriers."

According to Kaminski, since Leggett & Platt began working with Descartes, "We are constantly getting compliments from branch offices and customers on how our responses have improved dramatically. Descartes has brought us to another level where we now have a world class supply chain throughout the entire corporation."

Summary

Challenge:

Carthage, Missouri-based Leggett & Platt was finding it increasingly difficult to manage information flow across its global shipping activities. With multiple international carriers, the company had been using manual processes to enter, track and report on information on thousands of shipments, leading to duplication, errors and omissions.

Solution:

Leggett & Platt implemented a number of logistics management solutions from Descartes to enable real-time visibility into shipping status and facilitate the electronic exchange of data with its global partners.

Benefits:

- Eliminated 10 to 15% error rates on bill of lading
- Online and real-time access to shipping status from any branch office worldwide
- Standardized customs compliance functions
- Eliminated months of manual work necessary for annual carrier contract negotiations
- Vital information is no longer collected manually from carriers
- Management reports are always accurate because data from carriers is collected automatically