DESC**A**RTES™

Descartes ShipRush™ Simplifies PipeKnife's Complex Fulfillment Process and Speeds Growth

Through a strategy of growth via acquisitions, Golden, CO's The PipeKnife Company has become one of largest manufacturers of tools and accessories for auto glass removal and construction. In June of 2019, another acquisition boosted revenue by 45% over the previous period in 2018. The acquired company did 40% of its business via ecommerce sites, with 14% of its packages shipping internationally. While both companies were already using Descartes ShipRush™ for ecommerce shipping, PipeKnife needed to integrate the new business into both its fulfillment processes and QuickBooks™ accounting system. In just a few hours over the weekend of the acquisition, PipeKnife standardized the new company's ecommerce sales channel and its parcel and Worldwide Express less than truckload (LTL) freight carriers onto its Descartes ShipRush platform. Full integration of connected accounting and inventory systems into QuickBooks came soon after.

> "It was critical to find a solution that was flexible and could accommodate the varied distribution platforms PipeKnife required for its existing business and its acquisitions. The Descartes ShipRush solution provided an easy, cost-effective, turn-key solution. Without an IT department, we integrated our last acquisition in one weekend without missing a beat!"

Tom Tennessen
Interim CFO, The PipeKnife Company

Company Profile
The PipeKnife Company
Automotive Tools & Supplies Manufacturer

Descartes Solution
Descartes ShipRush

About the Client
The PipeKnife® Company, founded in 1993, is one of the largest suppliers of specialty tools to the Caulking, Waterproofing, Deck Coatings and Auto Glass Replacement industries. Over 300 professional grade tools to cut and remove old sealant and prograde accessory items are manufactured and distributed by PipeKnife to over 200 distributors worldwide. Today, PipeKnife is joined by REID Cold Knife Tools and Blades, Arctic Warmer Electric Urethane Warming Bags, the VD-K Tool line of Quick Set tools and accessories and the recent acquisition of Frost Fighter Window Defrosting Repair Systems and Kits.

Quick Overview

Challenge
Shipping Parcel and Palletized LTL Freight in Seamless Solution

Solution
Descartes ShipRush Meets the Complex Fulfillment Needs of the Dynamic Automotive Market

Results
– Support for Parcel and LTL Freight
– Lower Shipping Costs
– Greater Billing Efficiency
– Scalability and Efficiency in Fulfillment Processing Supports Growth
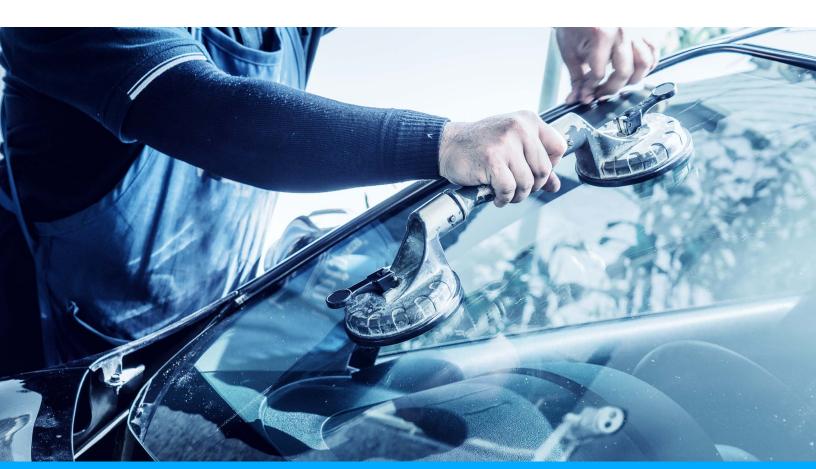
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Challenge: Shipping Parcel and Palletized LTL Freight in Seamless Solution

PipeKnife needed to rapidly ship products to construction, automotive supply, and repair industry customers using multiple carriers. Daily shipping processes were a significant issue, especially since 30% of its business was palletized LTL shipments with the remainder as parcel shipments. This made it difficult to obtain the best shipping rates. Scheduling was also a challenge. In addition, selling products via nine ecommerce websites added to the complexity. Each day, PipeKnife reviewed each of the ecommerce sites, manually downloaded marketplace order information and then manually input the information into QuickBooks. Order data was then copied and pasted into a shipping solution to generate labels and then back into the QuickBooks to generate an invoice, including shipping expenses and tracking information. Tracking information was then entered by hand into the ecommerce site to notify the customer of the shipment.

Solution: Descartes ShipRush Meets the Complex Fulfillment Needs of the Dynamic Automotive Market

Descartes ShipRush brought PipeKnife significant flexibility and savings by streamlining shipping processes. Using the solution, PipeKnife aggregated all its shipping needs into one system. The implementation includes LTL freight partner Worldwide Express™ and a QuickBooks connection via Descartes ShipRush and Sync with Connex™. The solution enables PipeKnife to import ecommerce sales data into QuickBooks, review shipping costs, generate shipping documents, pass all relevant information back to QuickBooks and control all shipping functions. Descartes ShipRush is also used to generate international shipment documents electronically per NAFTA requirements.

PipeKnife was also able to assure that freight-paying customers receive the best rates and that both parcel and freight expenses and shipment tracking information from all carriers is automatically posted to the customer's invoice without manual data entry in QuickBooks. Along with freight charges and tracking information, invoices are immediately emailed to customers. The ability to add tracking information significantly reduced calls from customers.

Using Descartes ShipRush, PipeKnife eliminated all manual processing of orders. With the new streamlined system, PipeKnife was able to manage the workflow increase created by acquisitions. PipeKnife's sales grew steadily in the second half of 2019, with December revenue alone up 135% over the same period in 2018. During this time of growth, office and shipping staffing levels remained the same while the company added manufacturing staff to grow the business.

In addition, Descartes ShipRush also helped PipeKnife better manage profitability for its freight expenses. Over a 12-month period, PipeKnife's shipping expenses increased by 74% over the same period in 2018. Using Descartes ShipRush reporting connected with QuickBooks, the company was able to bill more of their net freight expenses. According to PipeKnife CEO, Dell Skluzak, "Net freight costs, which consist of customer-billed freight revenue less freight expenses, are an important key performance indicator to determine our operating efficiency. Our net freight costs decreased by 33% using this solution."

The solution's rate shopping capabilities, including negotiated rates, offer significant savings in shipping costs, improved customer service, and dramatically enhanced efficiencies in shipping and tracking packages. With robust functionality, LTL and small package shipping capabilities, and ease of integrating new ecommerce channels as the business continues to grow, Descartes ShipRush is instrumental in meeting PipeKnife's shipping needs.

"Using Descartes ShipRush to automate fulfillment processes, we can now ship larger volumes of products without adding shipping or clerical personal. The solution connects our backend accounting systems to our online sales channels to support both LTL freight and parcel shipping," said Skluzak.

Results:

Support for Parcel and LTL Freight

As a multichannel business with both online sales and an extensive dealer network, PipeKnife now has a shipping platform with comprehensive functionality to manage both parcel and palletized shipments. Descartes ShipRush has significantly streamlined fulfillment for all types of shipments across all of the company's sales channels.

Greater Billing Efficiency

PipeKnife streamlined the fulfillment and billing process by aggregating all shipping needs into one system that shares tracking and shipping costs directly into QuickBooks. The company decreased its net shipping costs significantly by passing the shipping expenses seamlessly in real-time to customers.

Lower Shipping Costs

PipeKnife saves approximately 16% on shipping with the company's own negotiated rates for parcel and LTL freight, and by rate shopping all carriers side-by-side with Descartes ShipRush discounts, depending on customer requirements. The solution is automated to find the best carrier price and delivery option. handling up to 10,000 shipments per day during peak periods.

Scalability and Efficiency in Fulfillment Processing Supports Growth

PipeKnife increased order entry and processing speed by at least 100%. As sales more than doubled because of an acquisition, PipeKnife quickly rolled out Descartes ShipRush to the new company and increased the number of monthly shipments by almost 50% in peak season with no new staff.