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—Dennis Waliczek, Vice President of Information Technology, **USF Logistics**

Industry

Transportation & Logistics

i2 Success Story **#241**

Enabling Web-Based Transportation Management at USF Logistics

Looking to achieve competitive advantage in an increasingly crowded 3PL market, USF Logistics (USFL) sought to implement a best-of-breed technology solution to help it optimize transportation management and implement event management and supply chain event management solutions. After finding that best-of-breed solution with i2, USFL has reduced costs and increased customer satisfaction.

Seeking to better meet the increasingly complex delivery requirements of their customers in today's global economy, growing numbers of companies are turning to third-party logistics (3PL) providers to help them manage transportation and logistics functions.

As a result, more 3PLs are forming to meet the substantial need. With the marketplace becoming crowded, 3PLs like USF Logistics are looking to find ways to differentiate themselves from the competition.

USFL sought to make its use of best-of-breed software its primary point of technical distinction.

“When we look at core technology solutions, we try to be proactive and anticipate where the market is going, where we should be going, and then we will go after the proper, best-of-breed provider,” said Dennis Waliczek, Vice President of Information Technology for USF Logistics. “Based on market demands and where we intend to go strategically, we decided to look at logistics technology solutions. We need to offer solutions like transportation management, supply chain event management, which includes visibility, event management, and event resolution. These items are what we expected our customers to buy in response to their needs and wants.”

Why i2?

USF Logistics executives knew that taking a best-of-breed approach toward supply chain and transportation technology would ensure that the solutions provider they selected would have staying power.

“We were looking for one or more partners who were best-of-breed because we needed a solutions provider who would be there in the future,” Waliczek said.

“We weren't looking for just a cost advantage — we also needed to make sure that our partner's R&D was going to help support where we are going in the future.”

USF's search for a best-of-breed transportation and logistics solutions provider led it to i2.

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Challenges

- Achieve competitive advantage in crowded marketplace through use of best-of-breed technology
- Respond to evolving customer needs
- Provide additional capabilities in transportation management, event management, and supply chain event management

Solutions

- Centralize transportation management functions
- Create interface to enable customers to view data, conduct transactions, and create reports on the Web
- Identify technology partner to support company's future growth

Results

- Reduced costs
- Increased customer satisfaction
- Achieved faster, more informed business decisions



"The centralization of i2 solutions in Chicago has reduced our costs, and we're able to work very well with all of our customers, no matter where they are in the United States, from that central location," Waliczek said. "Before we moved to i2 solutions, we were running separate transportation systems using an in-house product, and it didn't have the depth or breadth or the ability to run on a centralized basis. Now, with the centralization concept in place, we have lowered costs by reducing our staff, and by having our knowledge base in one portion of the country."

i2's Contribution

USF Logistics implemented i2 Transportation Manager,[™] i2 Transportation Optimizer,[™] and i2 Supply Chain Planner,[™] solutions that enable companies to procure, plan, execute, and monitor freight movements across multiple modes, borders, and enterprises.

With its implementation of i2 solutions, USFL has centralized all of its transportation management functions in Chicago, which has enabled the 3PL to make faster, more informed decisions.

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USFL's Results

The cost reductions that USFL has achieved with i2 solutions have enabled the 3PL to improve its margins and pass some of the cost savings along to its customers.

With the Web-enabled communication interface powered by i2 solutions, USFL has gained competitive advantage by providing its customers with a superior level of interaction and data.

"Other transportation solutions generally are competitive from a cost standpoint, but there is no doubt that companies with homegrown packages lack the depth and breadth of what we are able to offer with i2, such as the Web interface and the data that it provides," Waliczek said. "Customers can go on the Web and do their own reports, and we are also able to bring in carriers that can't afford EDI-type transactions through the Web. So even if sometimes our quote might appear to be a little bit higher, in the long run, we are certainly less expensive."

Although i2 solutions have not been live at USF for long, USFL's customers are already telling the 3PL that they appreciate the new way that the company does business.

"Our customers are enjoying the differences that they see," Waliczek said. "They love using the Web, having access to the data, and doing some of their own reporting, and they're telling us about it. We are able to provide our customers with the services that they need and to help their ROI grow. We help them improve their service with their customers, and our customers' feedback tells us that the amount of data that they can get out of the reports generated by i2 solutions helps them to be more cost-effective."

i2 Success Story #241

A part of the USF group of companies since 1990, **USF Logistics** is a fully-integrated third-party logistics (3PL) provider. USF Logistics employs more than 4,800 people and maintains 76 warehouses/distribution centers across the United States and Canada. Headquartered in Oak Brook, Ill., USF Logistics' annual revenue is \$277 million.



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