i2 ®   The Supply Chain Company™

Opening New Windows of Opportunity at Andersen Corporation

Andersen Corporation embarked on a value chain management initiative using i2 solutions to aggregate customer orders and enable shorter lead times for customer delivery. The company has cut transportation costs by $1.3 million annually, increased visibility across the value chain, and optimized its load planning functions.

Although Andersen Corporation is a window and door manufacturer, transportation plays a major role in the company's business, as it ships 20,000 truckloads annually. Diminishing carrier capacity has forced manufacturers like Andersen to change their relationships with transportation providers. Instead of a simple client–vendor relationship, the companies must form alliances and partner with each other to thrive in the ever-changing business climate.

However, to create a true partnership that guarantees needed capacity, manufacturers have to provide carriers with forward visibility into future transportation requirements.

At the same time, Andersen executives realized they needed to deliver their products to customers faster.

"We knew that we needed to deliver to customers in shorter lead times, and we needed the ability to aggregate orders and provide ourselves with the enabling technology," said Steve Polski, Andersen's Transportation Manager.

Andersen AW ® **Windows · Patio Doors**

Challenges
- Enable collaboration with transportation providers by giving them visibility into future requirements
- Reduce customer delivery lead times
- Implement a transportation solution with the ability to evolve as business changes

Solutions
- Optimize carriers by price and competency
- Add visibility across the value supply chain
- Provide order information to strengthen partnerships

Results
- Cut transportation costs by $1.3 million annually
- Increase sales
- Better manage the extended supply chain

Company Description
Employing 4,540 people at its headquarters in Bayport, Minn., **Andersen Corporation** annually manufactures 5 million wood windows and patio doors, selling them worldwide. Andersen markets products throughout North America and in South America, Europe, Asia, and the Middle East.

"i2 has changed our way of doing business because we optimize carriers not only by price, but by competency and by the lanes in which they've been best able to perform. **But it's not just the optimization piece of i2 that's been a benefit to us. It's the visibility and reporting of load tenders that have been able to give us information to work better with our carriers."**

—Steve Polski
Transportation Manager
Andersen Corporation

Why i2?

That enabling technology came in the form of i2 Transportation Planner,™ i2 Transportation Manager,™ and i2 Supply Chain Strategist,™ applications of i2 Supply Chain Management™ (SCM).

Andersen chose i2 for several reasons, including the solution provider's status as the market leader and because the company had a proven solution—not "vaporware".

"The functionality that i2 provided was clearly superior to the other candidates that were in our selection process," Polski said. "i2 is the market leader and provides more than just transportation solutions, but also other solutions that we can grow into as our business changes."

i2 solutions enable consumer goods companies to simultaneously optimize and monitor inventory; reduce costs and risks through integrated sourcing, negotiation, and procurement; and improve customer service levels and reduce fulfillment costs through multi-division and multi-channel order management.

"When we decided to implement Transportation Manager and Transportation Planner, we knew we were taking advantage of only a small percentage of their functionality," Polski said. *"Knowing the value that we've realized with that small percentage, the future is pretty exciting. We have the upstream visibility and are able to bolt onto our order-capture system—the opportunities are endless in terms of visibility, cost reduction, and overall management of our supply chain."*

Additionally, consumer goods companies use i2 solutions to minimize transportation costs and increase service levels through integrated transportation procurement, planning, execution, and monitoring.

i2's Contribution

In the past, Andersen used a highly manual, spreadsheet-driven process to allocate carriers. Using i2 solutions, the company can both select and optimize carriers using a number of criteria.

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Andersen Corporation's Results

By using i2 solutions to increase visibility across the extended value chain, Andersen has already realized significant value and anticipates even greater value in the future.

"Andersen has realized approximately $1.3 million in savings as a result of having visibility into our transportation costs through Transportation Manager and Transportation Planner," Polski said. "We've been able to partner with carriers and renegotiate rates based on having visibility that we never had in the past."

i2 solutions also enable Andersen to optimize its loads and ship smaller lot sizes to its customers. That, in turn, should help the company to sell more windows in the future.

That future looks especially bright because of Transportation Manager, Transportation Planner, and Supply Chain Strategist and the value they will add to Andersen.

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The Supply Chain Company™

11701 Luna Road
Dallas, Texas 75234, USA
Phone 1.877.926.9286
Email info@i2.com
Web **www.i2.com**