Case Study SmartWay Logistics & Kimberly-Clark

With a portfolio of high cube tissue products transportation is the single largest driver of logistics costs for Kimberly-Clark (KC). Cost efficient transport is essential to ensure that their products remain competitive on the shelf.

After years of outsourcing cross border transport KC took the unusual step in 2003 of creating an in-house 4pl in their European Shared Services Centre. The objective was to develop best practice transportation management systems that would improve the efficiency of their transportation operation, reduce emissions and enable the procurement of low cost transport whilst managing the movement of 40,000 full truckloads across Western and Central Europe.

KC integrated their 4pl with their customer service and deployment operations whilst introducing innovative systems and processes to automate the selection of the lowest cost carrier, load allocation, communication and transport execution. Managing a budget of €40m the in-house 4pl delivered significant year-on-year savings.

In 2007, as part of a supply chain strategy review, it became clear that future of the 4PL would be dependant on up-scaling the operation to leverage efficiency and scale. The review also established that whilst cost efficient transport was essential transportation management was not a core-competency and as a result the decision was taken to outsource the transport management function.
Following a selection process Kimberly-Clark chose SmartWay (SWL) to work with them to outsource their Brighton based 4pl. The SWL bid was based on the following criteria:

- An asset free provider able to make unbiased carrier decisions
- Best in class transportation management control tower
- Systems to optimise the load not the truck
- Automatic selection of the lowest rates using a carrier league table.
- Systems that would easily integrate with KC
- Access to multiple carriers and other customers to leverage scale
- Innovative pro-active management
- A variable cost structure that incentivised the delivery of savings
- A full suite of KPI’s and management tools

Following a 3-month transition period, which included the transfer of knowledge from KC to SWL, the KC operation went live in Q1 2008. SWL now provides KC with 4pl services from offices in Utrecht and Poznan (Poland), using a best in class transport control tower that is integrated with KC and communicates with carrier systems. With access to more than 500 carriers SWL select the most appropriate carrier for the load, based on their customers requirements, and manages the movement through delivery including if required freight audit and payment.
In 2012 when KC decided to adopt a similar type of multi-carrier transport management system in the UK, they invited SWL to manage the operation from their Shared Service Centre in Brighton. Using their control tower to auto allocate and manage the movement of 60,000 loads per annum across the UK including inter factory, deployment and customer deliveries within tight time windows to the UK’s largest retailers.

SWL have provided 4pl services to KC for more than 5 years and have without exception delivered year-on-year savings. Recognising that transport is becoming commodity SWL continue to invest in their systems and people to help improve transport efficiency.

Helping carriers to reducing empty running and improving vehicle utilization is the only route to sustainable cost reductions.

SmartWay Logistics
www.smartwaylogistics.eu
Employees: 32
Services: Fourth party logistics provider