LINFOX LOGISTICS
ACHIEVING SUPPLY CHAIN MANAGEMENT EXCELLENCE

QUICK FACTS

Industry
Travel and logistics services

Employees
More than 14,000

Headquarters
Melbourne, Australia

Web Site
www.linfox.com

SAP® Solutions and Services
SAP® ERP application

Linfox Logistics is one of the largest suppliers of third-party logistics solutions in the Asia Pacific region. To provide better service to customers, Linfox has developed a complete end-to-end supply chain management solution based on SAP® software for freight and warehouse management. This solution saves costs and time and provides both shipper and carrier with visibility into all aspects of the logistics supply chain.

Key Challenges
- Increasing complexity of logistics operations
- Customer demand for operational excellence
- Requirement for timely delivery of perishable products
- Greater focus on visibility of freight activities
- Need to control logistics costs
- Focus on safety and environmental compliance

Implementation Best Practices
- Integrated with customer-owned enterprise resource planning systems
- Interfaced with modern technologies including handheld terminals, interactive voice response software, and global positioning systems
- Developed an implementation template to save costs and time onboarding customers
- Ran implementation with a core group of internal resources, supplemented with professionals from preferred suppliers

Financial and Strategic Benefits
- Empowered end-to-end supply chain management
- Increased control over operations
- Provided means to interact with customers electronically
- Enabled real-time synchronization of orders, inventory movements, and stock reconciliation
- Optimized utilization of storage capacity
- Automated tracking of product shelf life and allocation to customer orders
- Facilitated the management of product recalls
- Improved customer satisfaction
- Achieved competitive advantage

Why SAP Was Selected
- Strength of functionality
- Integration of different components within the SAP® ERP application
- SAP investment in the logistics industry
- Prevalence of SAP software in customer base and ease of integration with customer systems
- Availability of SAP-related resources
- Support for multiple languages and currencies
- SAP's solidity for the future

Low Total Cost of Ownership
- Decommissioned 20 legacy applications
- Leveraged previous investments in hardware and SAP software skill development
- Simplified integration with internal SAP financials software and with customer-owned SAP software for lower integration costs

Operational Benefits

Key Performance Indicator	Impact
Visibility of orders, shipments, and warehouse utilization	Increased
Revenue leakage	Reduced
Accuracy of asset tracking	Increased
Labor costs	Reduced
Operations efficiency	Increased

Linfox Logistics is a leading third-party logistics provider and the Asia Pacific region's largest privately owned supply chain solutions company. Linfox develops sophisticated supply chain solutions for many of the region's leading companies and delivers freight and warehousing services to blue-chip customers in industries as diverse as fast-moving consumer goods, mining, heavy industry, and retail. Linfox operates nearly two million square meters of warehousing and 5,000 vehicles in 11 countries.

For many years Linfox has used SAP® software for its financial processes. To support its supply chain execution services for customers, however, the firm originally operated or inherited from acquisitions 30 or more poorly integrated legacy applications. With the logistics business growing ever more complex and customers demanding more visibility and control over their shipments, Linfox realized the need for stronger software. After evaluating alternatives, Linfox chose the SAP ERP application, whose logistics execution functionality became the basis for the firm's supply chain execution developments. The strength of this functionality was a big reason for Linfox's decision, and its integration with the financials functionality in place was another important advantage.

Real-Time Online Tracking of Shipments with FMS

Linfox rearchitected and redeveloped its supply chain management solution in two stages. First came an advanced transportation management system, which the firm calls the Freight Management System or FMS. FMS supports the entire transport order-to-cash process through order management, planning, execution, and settlement. It allows customers to track their shipments online and in real time, which provides the visibility needed to best manage regular and unexpected distribution events. Linfox and its customers are now far better equipped to prepare the necessary resources to load and unload vehicles, minimizing costs and time. The online tracking is made possible by modern technology integrated into FMS, including global positioning systems, handheld terminals, and interactive voice response systems.

To deliver even more value, Linfox integrates FMS with the software that customers use to run their businesses, providing them with smooth, end-to-end support for their own processes. Linfox built a repeatable, industry-specific integration template that it uses to reduce onboarding costs and speed deployments. Many Linfox customers use SAP software, making integration with FMS especially straightforward.

Warehouse Optimization with WMS

Stage two in the vision was to improve goods management in warehouses, which is facilitated by the Linfox Warehouse Management System or WMS – built using the warehouse management functionality of SAP ERP. WMS heightens inventory accuracy, improves efficiency for receiving and handling goods and processing orders, and allows Linfox to optimize the deployment of resources in warehouses to help keep customer costs down. Like FMS, Linfox integrates WMS with customers' business software so that they can keep their own inventory records up-to-date via real-time tracking.

FMS and WMS are tightly integrated to deliver end-to-end supply chain management and optimization of the entire distribution process, boosting efficiency for all involved. With tighter controls, Linfox is billing for services that were too often overlooked in the past. Customers have unprecedented visibility and control over the operations Linfox provides for them and enjoy timely, accurate pickups and deliveries. Satisfaction levels are up both for Linfox customers and for their customers down the line – providing a distinct competitive advantage for Linfox.

.

THE BEST-RUN BUSINESSES RUN SAP™

SAP®