

A.N. DERINGER AIMS FOR THE FUTURE

with Manhattan SCALE™

OPERATIONS

Headquarters: Saint Albans, Vermont
Facilities: 18 distribution centers and 31 offices across the U.S.

MANHATTAN SOLUTION

Manhattan SCALE™



CHALLENGE

To put warehouses, running on separate systems, on one platform system to provide visibility, commonality and a marketing edge.

SOLUTION

Manhattan SCALE was selected to provide a robust system for Deringer that is easily adaptable, easy to configure, easy to train customers and employees to use, and intuitive.

PROGRESS & RESULT

Before implementing the solution, Deringer only had 12 customers online and now has 250 customers up and running with a 33% increase in crossdocking orders.

“We’re lucky enough to be privately held and have a president with vision. So when the economy downturned, he thought it was a great time for us to look for something that would set us apart when the economy came back.”

STEVE BURRINGTON, SUPPLY CHAIN MANAGER, A.N. DERINGER, INC.

A MARKETING EDGE

for A.N. Deringer

FROM SILOS TO A SINGLE PLATFORM

Since 1919 A.N. Deringer, Inc., of Saint Albans, Vermont, has been one of the preeminent Customs brokerage houses in America, beginning humbly enough by bringing Canadian hay into the U.S. in support of the war effort. Since that time, the family-owned company has expanded its operations along the northern border from Maine to Blaine, Washington, and in key air and ocean ports across the country, with 18 warehouses and 31 offices. What began as a Custom brokerage house has grown to become one of the nation's largest privatelyheld 3PLs, meeting its customers' needs through providing international freight forwarding, warehousing and distribution, cargo insurance, logistics consulting and even USDA meat inspection.

Deringer views its closely held family status as a plus. According to Andrew White, Marketing Analyst for Deringer, "A lot of companies have been purchased by the big 3PLs and it's harder for them to adapt to the specific needs of a customer. We have a very flat corporate structure, which lets us make decisions quickly. Since exceptional customer service is at the base of everything we do, we feel we're in a good position to respond quickly."

For Deringer, the economic collapse of 2008 occurred at about the same time they realized their WMS technical systems were outdated. Steve Burrington, Supply Chain Manager, explained, "The system we had just didn't have the functionality for us to compete in today's environment. Our customers want information as fast as they can get it, and customers have changed. Five or ten years ago they wanted you to do everything for them. Today a lot of customers want the ability to access information themselves 24/7/365. We're lucky enough to be privately held and have a President with vision. So, when the economy downturned, he thought it was a great time for us to look for a solution that would set us apart when the economy came back."

When asked what they were looking for in a new system, Burrington explained. "Our previous system offered an insufficient EDI (Electronic Data Interchange) interface. We were also running three different software packages to satisfy our customer's warehouse needs, and had a third party hosting

a large part of our system and wanted to bring that back in-house. We needed a robust, intuitive system that was easily adaptable, easy to configure, easy to train our customers and employees to use." Quite a wish list, but the company had been keenly observing the industry and noticed several major shifts.



"Manhattan offered about 86% of what we were looking for. The next provider offered about 48% of what we needed."

According to White, "Customers want to see everything as quickly as possible, on their own." Deringer's visibility was limited, which was one additional reason the company began looking at new systems.

The Deringer team established a matrix of functionality that was important to their customers and the business. They invited eight software companies to submit an RFP based on the criteria established in 12 categories, then narrowed the finalists to four. For the final analysis, Burrington and the Deringer team also involved people who worked in the field, warehouse management and corporate management to evaluate the packages. Burrington continued, "Manhattan offered about 86% of what we were looking for. The next provider offered about 48% of what we needed."

"Our biggest concern with Manhattan was that we were going to end up being a little fish in a big sea because Manhattan is such a large, multi-national company. Manhattan worked hard to allay that concern and over the last couple of years, they have proven it."

Deringer bought the Manhattan SCALE suite of solutions and began a company-wide rollout in May of 2009 amid some daunting obstacles. "All of our warehouses were sitting on separate servers," Burrington said, "so everybody had their own environment. When we went to SCALE, we moved to a global environment, where, when one person does something, it affects everybody else in the system. It was a major cultural shift for Deringer because the company prides itself on entrepreneurship and independence. It brought a lot of structure to what we do. We rolled out 10 warehouses in 12 months. In the process we went from a paper-based WMS environment to all of our warehouses now being radio frequency enabled."

When asked if there was one specific feature of the SCALE suite that appealed most to Deringer, Burrington said, "Yes, it was the Trading Partner Management portion of the system, the visibility tool. We use the entire system to manage inventory and receive shipments, but the piece that we've really exploited is the trading partner aspect. We've actually branded it eShipPartner® WMS. eShipPartner® is our suite of online tools for our customers, so they literally see their shipment at any point in time."

The SCALE suite stands alone at Deringer as the company doesn't have an Enterprise Resource Planning system. But the company has opened its doors, so to speak, by integrating into customers' ERPs, allowing SCALE to communicate with the customer's system automatically and vice versa, taking Deringer, according to Burrington, "to a whole new level of customer service. I think that's what sets us apart from our competitors, too, as we're willing to go to that level for our customers."

From the beginning of the process, Deringer involved its customers to assess their needs and determine what they wanted most in a system. The majority wanted more visibility. Long before the new system was deployed, the company spent a great deal of time communicating and training customers on the new system so that when the go-live date came, both the company and its customers were ready. Since the SCALE suite was integrated into the customer's ERP system, when a warehouse went live, so did the customer's. According to White, "We did webinars to show them the system before going live." As each warehouse went live, those customers using EDI were brought live as well, so there was no gap in service at any time.

"We call it eShipPartner® WMS. eShipPartner® is our suite of online tools for our customers so they literally see their shipment at any given point in time."

SCALE CAPABILITIES DELIVER HUGE SAVINGS FOR CUSTOMERS

The results? Steve Burrington said, "In our old system where we had online tools or order entry, we had about 12 customers. Today, with the Manhattan system and its visibility, we have about 250 customers using the system. That's growth because of the application." Deringer has used the SCALE suite successfully as a competitive advantage. By creating demonstrations that are available remotely, our salespeople can show how the system works and produce examples of the reporting features.

Today, about 25% of Deringer's orders are entered manually in the warehouses, while 75% are either sent electronically, through the Trading Partner Management module, or through an extension

that Deringer and Manhattan developed together—a product Deringer calls eShipPartner® Cross Dock. Burrington explained, "It's a tool that we install in our customers' facilities for the cross dock shipments where they actually process the shipment themselves. They generate labels and attach them to the packages, then they're manifested and the Deringer trucks pick them up, bring them to the border, we Customs clear them, and finally forward them via U.S. domestic carriers. The customer pays a small line-haul fee for us to get them to our facility, but now they're paying domestic rates instead of international rates. The savings is huge."

An additional benefit of the system is that it records every transaction automatically so Deringer can tell at any time how much volume is generated for each customer. And with this new information, Deringer can better negotiate rates with carriers, based on actual volume.

With SCALE in place, Deringer has seen not only an increase in the number of new customers but is equally happy with the quality of new accounts they have won. "It has given us a better chance of acquiring larger, more complex, business," Burrington said, "because now we're getting larger customers who have more technology that can work with us and we can now work with them because we have better capabilities in-house." The transparency required to integrate with customers' systems also requires a heightened sense of trust as critical information is exchanged regularly. As Burrington said, "They know us, we know them. So the application helps create a very trusting and open relationship."

With an expanding business base, Deringer is cautiously optimistic. Steve Burrington put it this way: "What we want to do with freight forwarding, warehousing and distribution is to drive half of our business through the warehouses and the other half through our core competency, which is Customs House Brokerage. We've got a lot of work to do to get there, but we're building the roadmap to do that, and this application is instrumental in the process."

