

SHAW INDUSTRIES AND MANHATTAN ASSOCIATES

Partners From the Ground Up

OPERATIONS

Headquarters: Dalton, GA
Distribution centers: 33
Annual sales: ~\$4.8 billion

MANHATTAN SOLUTIONS

Transportation Planning & Execution,
Transportation Procurement



CHALLENGE

Shaw needed a TMS to improve transportation planning. RFPs were taking several months to execute, intransit visibility between carriers and DCs was limited, and aging technology and reliance on manual processes was not keeping up with rapid change.

SOLUTION

Transportation Procurement helped reduce the RFP process to 6-8 weeks, enabling Shaw to conduct quarterly bids. Leveraging EDI through Manhattan's visibility module allowed Shaw's carriers to exchange real-time in-transit updates to RDCs.

PROGRESS & RESULT

Shaw's automated planning system provides flexibility to manage intricate network and growing product mix. Real-time visibility enables better planning and execution of inbound and outbound transportation. Delivery service levels improved through analyses of shipper buying and delivery patterns.

"Our customers have high delivery expectations. Our challenge is balancing those demands with maintaining a level cost structure. Manhattan's Transportation Procurement allows us to run multiple scenarios for a customer and arrive at the best solutions. We have detailed shipment visibility and can flex our network rapidly and efficiently. We achieve superior service levels while keeping our shipping costs stable or, in a number of instances, reducing them."

PAM HOLDER, SUPPLY CHAIN BUSINESS SOLUTIONS, SHAW INDUSTRIES GROUP, INC.

NEW FLEXIBILITY TO MANAGE GROWTH

at Shaw Industries

“What makes Manhattan a terrific partner is that we can bring their people an idea or a question about a project and they’ll help us find the best solution even if Manhattan isn’t the software provider. Their people engage, they listen, and they understand our needs, so we are confident we’re getting their best judgment. The innovation Manhattan brings to the table is vitally important. But the intangible is its willingness to engage us at all times. That’s what sets it apart from other technology providers.”

GROWING COMPLEXITY AND PRODUCT MIX

Shaw Industries Group, Inc. rules the “carpet corridor,” the stretch of Interstate 75 in northwest Georgia where most of the world’s carpet is made. With approximately \$4.8 billion in annual sales, Shaw is the world’s largest carpet manufacturer, and a large-scale producer of many flooring and turf products. It is a wholly-owned subsidiary of Berkshire Hathaway, Inc., the conglomerate controlled by billionaire businessman and investor Warren E. Buffett. Berkshire’s 2001 acquisition was, and remains today, a tribute to Shaw’s financial strength and dominant competitive position.

Over the years, Shaw broadened its domestic manufacturing beyond its main Dalton, Ga. location. Today, Shaw sources raw materials for production, and finished goods for distribution, from vendors outside the U.S. It supports a growing commercial and residential end market through 33 U.S. regional distribution centers (RDC).

As its geographic footprint and product lines expanded, Shaw’s transportation requirements became more complex and, at the same time, more relevant to its overall value proposition. It was at that time that Shaw took a hard look at its transport operations and saw a need for change.

RFPs for trucking services would often take several months to execute, a lengthy and frustrating process. Shaw had limited capability to execute bids on a frequent basis, making it difficult to secure truckload capacity in a timely manner and to fully optimize its transport spend. Inbound and outbound planning was a challenge because Shaw’s RDCs could not receive real-time in-transit updates from its carriers. It couldn’t conduct robust analyses of customer buying patterns and service needs, which made it hard to tailor optimal delivery solutions. Shaw performed many transport-planning tasks manually, or with aging IT systems that couldn’t keep up with the growing complexity of its business.

“We were seeking a partner who could bring technology into our organization to meet our immediate and long-term needs,” said Pam Holder, director

of logistics and customer service for Shaw’s supply chain business solutions organization. “Our starting point was TMS because that was our weakest operational area.”

Shaw quickly saw improvements after implementing Manhattan’s TMS. It leverages a fully automated solution that scales rapidly to meet its operational requirements. The turnaround for RFPs was compressed to six to eight weeks. It could initiate quarterly RFPs for truckload capacity, enabling it to efficiently leverage its volumes across its carrier base; with this came better pricing opportunities and enhanced capacity assurance, especially during periods of high demand for other commodities. A customer rating functionality inside Manhattan’s Transportation Procurement module helped Shaw do deep dives into customers’ delivery patterns, which has led to better, more targeted and efficient transportation solutions.

Leveraging EDI through Manhattan’s Visibility module dramatically improved Shaw’s visibility into their complex distribution network. For the first time, Shaw realized real-time, in-transit updates for both inbound and outbound deliveries between their Private Fleet and their Regional Distribution Centers. These EDI capabilities have now been deployed across Shaw’s entire carrier base providing the same real-time visibility into thousands of shipments each week.

Shaw also plans to utilize Manhattan’s Yard Management System across its nationwide RDC network to track the real-time status of all its trailer equipment, Holder said. “It’s nearly impossible to manage these assets effectively if you can’t see them at all times,” she said.

From its roots as a distributor in north Georgia, Shaw has evolved into a national, and now an international, provider. It receives and distributes from many locations, and the world is its market. “Our transportation needs have dramatically changed from five to 10 years ago,” said Holder. “Our decision to partner with Manhattan was based on its ability to grow and change with us, and we’re highly confident that will continue.”

