

YUSEN LOGISTICS GETS GREATER FLEXIBILITY AND SCALABILITY

MANHATTAN SOLUTIONS

Manhattan SCALE™, Microsoft Azure



CHALLENGE

Yusen Logistics needed a standardized supply chain solution that would provide customers with a consistent service experience across the world and enhance its proven global logistics services delivery capabilities. It also sought a globally deployable technology platform that could effectively serve companies in a wide range of industry sectors.

SOLUTION

Manhattan SCALE selected as strategic WMS because of its industry leading reputation; configurability; scalability; fast start-up capability; global support infrastructure; ability to be easily deployed on Microsoft Azure; ability to provide end user clients with an industry-leading and constantly evolving supply chain IT platform.

PROGRESS & RESULT

With SCALE and Azure, Yusen Logistics is now able to more effectively implement new customers and streamline start-up activities. It has better control over its logistics activities and, thanks to the performance of the cloud infrastructure its systems have a higher availability than ever. Further significant cost reductions are expected in the next few years and Yusen Logistics foresees a relatively quick return on investment.

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TONY GUDGER, CIO AT YUSEN LOGISTICS EUROPE

A GLOBAL SUPPLY CHAIN PLATFORM

for Yusen Logistics

“Over the last year, all new customers have been implemented on SCALE and about 30 percent of our existing customer base in Italy has been migrated to the system, which runs entirely on Azure. In the next two years we plan to have our whole customer base running on the SCALE/Azure platform and expand implementation to other Yusen Logistics distribution centers across Europe.”

FROM MULTIPLE AND DISPARATE LOCAL SYSTEMS, TO A GLOBALLY STANDARDIZED SUPPLY CHAIN SOLUTION: MANHATTAN SCALE ON MICROSOFT AZURE

Yusen Logistics had come to rely on a diverse set of IT solutions to support its contract logistics services operation across Europe. Yusen Logistics' country teams were using several local systems to service clients' supply chain needs. For a global business with over 20,000 employees working from over 500 locations across 43 countries, these locally tailored technical environments were costly to maintain and hindered Yusen Logistics' ability to streamline and optimize its operational approach, particularly when serving large, global clients. Yusen Logistics decided that it was time to overhaul its IT systems infrastructure and standardize on a single, proven supply chain solution that could be deployed and supported both regionally and globally. With Manhattan SCALE, implemented on Microsoft Azure, Yusen Logistics had identified the reliable, scalable and efficient supply chain solution it needed.

Yusen Logistics is a leading global logistics service provider offering an extensive range of capabilities including air, sea and road freight services. In addition, the company operates with over two million square meters of contract logistics warehouse space. One of the key business drivers for Yusen Logistics is its customer-centric approach and an unswerving commitment to delivering solutions that meet the unique requirements of each client. Tony Gudger, CIO at Yusen Logistics Europe explains: “Our ambition is to be among the top five forwarders in the world. To achieve this, we have to meet customer expectations with regard to service reliability and operational effectiveness, and be able to provide

real-time visibility of supply chain data and KPI's so we and our clients can act on the business intelligence that this information offers.”



CHALLENGE

Globally Yusen Logistics worked with a diverse set of locally tailored IT solutions across its various operational locations. While this was an effective strategy for small, locally focused, clients, it was not ideal for Yusen Logistics' large, global accounts. Clients such as Mitsubishi and Panasonic operate in diverse geographies and languages and consistency in the way they interact with their logistics service provider is crucial. The need for a new, standardized Warehouse Management Solution (WMS) – a system that Yusen Logistics had designated as mission critical – had become paramount to be able to deliver a more consistent approach.

Selection procedure

In a number of regions across the globe, Yusen Logistics was already using Manhattan's Warehouse Management Solution. The relationship between Manhattan and Yusen Logistics started in 2003 in Europe and from there expanded into the United States and Asia-Pacific.

Nevertheless, Yusen Logistics decided to adopt a formal process for the selection of the best possible WMS to meet its current and future needs. The search started by bringing together a group of experts from within the business. During an 18-month process, these experts helped the management team to define the requirements for the future system. Yusen Logistics subsequently evaluated a number of warehouse management systems that met the criteria. In addition, information technology research and advisory company Gartner was consulted to advise the management team and to validate the selection process. This led to a shortlist of two products, both provided by Manhattan Associates. The final decision was in favor of SCALE.

SOLUTION

Yusen Logistics decided on deploying SCALE as its strategic WMS for a number of technology and business reasons. Solution functionality, configurability and scalability were key, as was ease and speed of implementation and total cost of ownership. The fact that the system is supported around the globe and that it serves companies operating in a diverse range of industry sectors was also important.

According to Andrej Stern, IT Manager at Yusen Logistics Italy, the team of experts behind SCALE was a key factor. "The support team was ready to help us with the implementation when needed. This represented the perfect basis for further consolidation of our partnership with Manhattan Associates."

From the hardware point of view, Yusen Logistics decided to go to the cloud and make use of the services of Microsoft Azure. This was a logical choice as Yusen Logistics already used Microsoft Azure as a cloud service platform since 2012. Stern explains: "We chose to move towards Azure as our strategic infrastructure solution as it is an excellent cloud platform that allows for flexibility and scalability and helps minimize overall capital expenditure."

Implementation

When Yusen Logistics Italy was starting out on its implementation of SCALE, Yusen Logistics Poland had just successfully completed the transition process from legacy system to SCALE. During this project, the Polish team built a center of excellence to support implementations at other locations. With help from the Polish expertise center, the first Yusen Logistics Italy customer went live successfully in a very short time. The implementation project was bound to a very strict timetable spanning three months and it was concluded both on schedule and within budget. The implementation of SCALE on Azure at Yusen Logistics Italy serves as a model for all future deployments of SCALE in other geographies.

Microsoft Azure played a key role in the successful execution of the project. Thanks to Azure, Yusen Logistics was able to set up SCALE on a highly available infrastructure, with outstanding connectivity and without any hardware investment. Stern commented, "The flexibility of Microsoft Azure and the usability of SCALE make it easy for Yusen Logistics to migrate existing customers and add new customers onto the platform."

Another advantage of choosing to work with Microsoft is that they already had a long history of partnering successfully with Manhattan. Jeff Johnson, Solution Specialist at Microsoft declares, "We have enjoyed an extensive and fruitful relationship with Manhattan since 2001 - long before we started working together on the Yusen Logistics project. The work that we are doing for Yusen Logistics really builds on the strength of that partnership and it has made it much easier for us to align processes and our combined approach."

Progress

Currently, Yusen Logistics is using Manhattan SCALE and Microsoft Azure in various countries and operations throughout the world, for a range of customers, varying from very small and simple distribution facilities to very large, complex operational sites. In Italy, SCALE is implemented in two distribution centers to manage customers in a number of sectors, including electronics, automotive parts, apparel clothing, housewares and sporting goods. Stern added, "Over the last year, all new customers have been implemented on SCALE and about 30 percent of our existing customer base in Italy has been migrated to the system, which runs entirely on Azure. In the next two years we plan to have our whole customer base running on the SCALE/Azure platform and expand implementation to other Yusen Logistics distribution centers across Europe."

PROMISING RESULTS

One of the main objectives in implementing the new WMS was to standardize the internal workflows to gain a better control of logistical processes across different distribution facilities and different countries. So far, the results have been promising; thanks to SCALE and Azure, Yusen Logistics is now able to more effectively serve new customers and streamline all startup activities. Besides, the company has better control over its logistics service activities and thanks to the performance of the cloud infrastructure, all systems have a higher availability than Yusen Logistics has ever had. Further significant cost reductions are expected in the next few years and Yusen Logistics foresees a return on investment in a relatively short period of time.

Tony Gudger is confident that SCALE and Azure will continue to have a major impact on the ability of Yusen Logistics to deliver efficient, reliable and cost-effective logistics solutions to its customers. "We have selected Manhattan and Microsoft as our long-term strategic IT partners. Our objective is to roll out Manhattan SCALE, running on Microsoft Azure, to all companies around Europe and potentially across the globe. This will enable us to drive down costs, increase profitability and provide customers with better service, eventually making the business more competitive."

