nexDimension®

MAKING BUSINESS INTELLIGENCE WORK

Global Link Logistics Gains New Visibility with KnowledgeSync

THE SITUATION

Arranging transportation logistics for over 40,000 containers a year presents some interesting challenges. As a leader in the freight forwarding industry, Global Link Logistics faces these challenges on a daily basis. They provide customers with services related to containerized, ocean freight transportation, focusing on Transpacific Asian to United States trade lanes and service from Latin America. Over the past few years, Global Link has expanded rapidly into a $150 million company with 35% annual revenue growth.

When cargo is imported from overseas, Global Link manages and tracks multiple operational and financial events, such as departure and arrival of cargo on a ship, loading of cargo onto a truck or railroad, and then final delivery of the cargo. Each step requires careful planning to insure that shipments are moving along a planned route over a pre-determined period of time. Every step has a financial impact either on Global Link or its customer. Failing to meet these commitments leads to the loss of time and money.

Global Link partnered with nexDimension Technology Solutions, an expert technology advisor to emerging and enterprise businesses, to implement a number of financial and operational solutions. Brian Pinkett, IT Manager at Global Link worked closely with Mike Bodker, a partner at nexDimension through the entire process. Global Link wanted to establish a system that enabled real-time visibility into operations, supported the company's rapid growth and opened opportunities to save money.

THE PATH TO A SOLUTION

To handle the specialized, operational needs of a freight forwarding business, Mike assisted Global Link with their implementation of software from Silver Bullet Technologies and Microsoft®. Silver Bullet creates breakthrough process management software for the freight forwarding industry that helps customers to move goods faster by creating, tracking, and managing the documentation required for international shipments. Silver Bullet also integrates its transactions with the Microsoft Great Plains accounting system, and both applications store data in Global Link's SQL Server database.

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BUSINESS INTELLIGENCE SOLUTIONS

In addition to KnowledgeSync, nexDimension offers a broad selection of presentation tools to assist companies become Intelligent Businesses.

Whether, it's Financial Reporting and Budgeting, Dashboards and Scorecards, Business and Ad-hoc Reporting, or Business Process Management and Business Alerts to name a few, there is a presentation solution to interface with your company's data.

The nature of what needs to be presented will dictate the applications and technology in the presentation layer. nexDimension takes a best-of-breed approach because there are varying levels of functionality required to address a company's needs, and regardless of the hype in the marketplace, no single application does it all. Fortunately, all of the applications nexDimension uses interface with Microsoft® SQL Server. And while all of these applications rely on data stored in Microsoft's SQL Server database engine, it's not necessary to have SQL Server as your primary database. There are capabilities within SQL Server to extract data from hundreds of other sources.

History has proven that by monitoring measures to evaluate performance within an organization, performance in that area will improve over time. And, by constantly measuring and evaluating, an organization will become more competitive, effective and profitable.

While working with Global Link, Mike became immersed in the entire freight forwarding industry. Because of his involvement and technical know-how, he was asked to join Global Link's technology steering committee that helps guide technological innovations and implementations. In addition to Brian Pinkett, Gary Meyer, Chief Operating Officer and Clark Christensen, Chief Financial Officer participated in this committee as well. One committee discussion focused on profit erosion during shipments.

A typical transaction involves the movement of cargo in 40-foot containers primarily via ocean freight. There are numerous steps to each shipment from the port of origin to the final destination, which creates a tremendous amount of data available in the Silver Bullet application and its SQL Server database. The timing of these events impact the charges Global Link receives from the carrier related to that shipment. Global Link has a limited number of days in each shipment to pick up containers at either the carrier's yard at the port of discharge or, if transporting the container to the final destination by rail, at the carrier's rail yard. If these days are exceeded, Global Link incurs additional charges.

Once the containers are unloaded, Global Link has a finite number of days to return the empty containers to the carrier's location. If these days are exceeded, Global Link is charged extra. There are also fees and services for transporting containers from and back to a carrier's yard including such things as trucker storage fees, fuel surcharges and chassis rentals. If these fees and charges cannot be passed through to the customer, they are Global Link's responsibility. If not closely monitored, these fees can negatively impact Global Link's bottom line, so it was imperative that an alert system was put in place to protect profit margins.
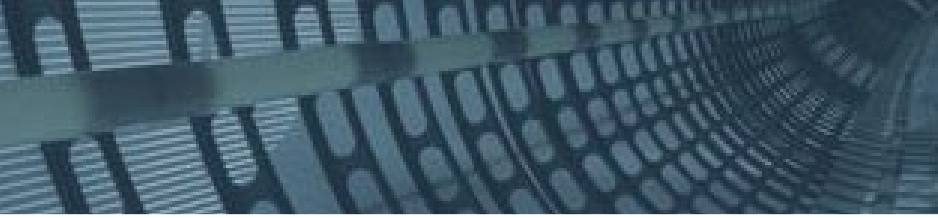
"We expect to make a certain amount of money on every container we ship. When things don't go as expected, that profit starts to erode. We were looking for a way to generate alerts based on transit milestones that would let us know when things weren't happening as they should, which in turn would help reduce costs, leading to greater profit," Christensen explained.

To generate these transit alerts, nexDimension provided Global Link with a business alerts management tool— KnowledgeSync from Vineyardsoft Corporation. KnowledgeSync allows companies to monitor business applications and incoming e-mail messages for critical, time-sensitive information, send out alerts, and update applications with the most timely data.

Pinkett added, "With Mike's assistance we easily integrated KnowledgeSync with Silver Bullet's data. Within a short period of time we were developing transit milestone alerts which allowed the account managers and group managers real-time visibility to shipments."

THE RESULTS

The first alert Brian created was the Late Vessel Departure Event Not Created. With this alert, KnowledgeSync sends an email to the appropriate account manager advising that the estimated date of departure has passed and there is no record in the system of the shipment being en-route. It's then up to the account manager to investigate the problem and take appropriate action, such as confirming departure and updating the system if it will be late.

Along similar lines, the Late Vessel Departure Event Created alert lets the account manager know if the actual shipment departure date is later than the expected date, which will result in the entire shipment being delayed.

"These are real-time alerts that are scheduled to be delivered via email at a certain time of day, everyday," Pinkett explained. "The account managers get alerts at 9 a.m which gives them a good part of the day to do any research on the event associated with the alert and update the system if they have to. Account group managers get alerts later in the day at 3 p.m. However, group managers only get alerts for shipment problems that haven't been resolved. The system continues to send alerts until the event condition has been resolved."

The next transit milestone occurs when the shipment is expected to arrive. If no vessel arrival data is entered corresponding to the previously entered estimated date of arrival, KnowledgeSync sends out the Late Arrival Notice alert. "If the estimated date of arrival is wrong, the account manager is alerted to the problem and can research the situation. If the vessel has arrived, they can update the system. This alert is crucial because as soon as the container arrives, we can invoice our customer for the ocean transit portion of the trip. If we have no record of arrival, it delays our billing and negatively impacts our cash flow," commented Pinkett.

Once the ship has arrived at the port, Global Link has only a couple of days to transfer the container to the customer. Shipments are broken into two categories— All Water and Mini-Land Bridge. All Water shipments are put on a truck to be trucked to the final destination, while Mini-Land Bridge shipments travel via rail. If no arrangements have been made for the customer to receive the shipment, KnowledgeSync sends the Per Diem Alert, which notifies the account manager that the shipment has arrived but a delivery order hasn't been created. "This alert is extremely important as well because we are charged excess storage fees if the container sits at the port too long," Pinkett emphasized.

In the case of Mini-Land Bridge shipments, the customer has a limited amount of time to get the empty container back to the railroad based on the ship's arrival date. If the containers are not returned within the allotted time, KnowledgeSync sends the Demurrage Alert, notifying the account manger that the empty container hasn't been returned to the carrier. Pinkett continued, "We are jointly responsible with the customer to make sure the empty container is returned. If not, we start incurring costs, some of which are passed on to the customer."

"All of these transit milestone alerts help us be more proactive and reduce the possibility of incurring additional costs related to a container. If there are going to be any additional costs, we are well aware of them beforehand. By incorporating KnowledgeSync, both Global Link and our customers are saving money. In fact, we have reduced storage fees by 20% since implementing the alerts," Christensen added.

Once the team understood the power of KnowledgeSync and saw how it was saving Global Link money in transit movement, they started looking at operational areas to use alerts within the company. The first place they looked was to monitor their inbound shipping transmissions from Hecny, their overseas agent who was responsible for booking shipments and confirming transit arrangements have been made.

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"We expect to get transmissions from Hecny every day. Rather than having to manually check for these transmissions, we created an alert using KnowledgeSync called AutoHecny Monitoring, which lets us know when we haven't received an inbound transmission," Pinkett explained. "In the past we didn't have any notification of shipment transmission failures. Now KnowledgeSync tells us when an important transmission hasn't arrived and alerts us to take further action. We don't have to spend time looking for shipments to come into the system. The alert lets us know that it hasn't happened within a reasonable timeframe."

In another operational area, Global Link has an internal brokerage department that uses SmartBorder®, a brokerage system to clear shipments from customs as well as maintain and warehouse accounts payable and receivable information. The Brokerage Integration Alert advises the accounting department that an accounts receivable file from the brokerage team is ready to be viewed and acted upon. In the past, someone would either have to send an email, place a call or walk over to the finance department to let them know the file was ready. This manual effort has now been eliminated.

The final operational alert currently in place at Global Link is the Inbound Reject Alert. When data is entered, a transit report may be rejected because it is missing some critical information. "Previously we had nothing in place that would identify when a file had been rejected. This alert lets us know when transit reports have been rejected, and why. If we don't know about the missing information, we may incur additional costs. Now we know about it beforehand," Pinkett said.

SUMMARY

"All of the transit milestone and operational alerts have had a tremendous impact on the way we do business. They have streamlined the notification process and the account managers now have visibility to crucial transit milestones. KnowledgeSync alerts are completely automated and sent via email, giving our people details they can act on. These alerts save us money every day."

Pinkett continued, "The entire implementation strategy was simple. First we needed a system to capture all the transit events. That's where Silver Bullet came in. Next we needed a system that could look at the SQL Server database and monitor specific data—enter KnowledgeSync. We originally used KnowledgeSync for transit milestone alerts. After we addressed the obvious items, we moved to operational events. Now we are going to look at using it for financial events such as timely billing, credit limit situations, and past due billing dates, to name a few. We have a lot more we can do with KnowledgeSync. We've only just skimmed the surface."

"When your business grows at 35% per year there is no margin for error on the technology investment. We had to be certain that the technology we were using would be able to keep up with our aggressive expansion plans. I'm extremely pleased with the scalability of this solution and I feel like nothing can stop us now," Meyer concluded.

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