

SAP Transportation Management Case Study

Project: SAP Transportation Management Implementation

Industry: Manufacturing

Business Challenges:

The client was in the process of merging the shipping functionality of three different companies into one process that would be rolled out to each location. The goal was to analyze the positives and negatives of the shipping processes each company had been using, consolidate them and devise one general process going forward that used the best procedures from each location without omitting any necessary functionality per location, such as international shipping and customs declarations. These specific functions were only performed by one or two locations so the processes needed to be refined but not implemented across the entire landscape. Pain points to resolve with this implementation are to 1) renegotiate carrier contracts on a national level as opposed to using several carriers local to each one of the manufacturing locations and to achieve the greatest discount on transportation costs negotiated in contracts; 2) optimize shipments into full truckloads from less-than-truckloads whenever possible by combining deliveries; 3) add ability to pull distance between shipping location and customer to calculate full truckload rates; 4) review, revise, standardize and improve EDI transmissions; 5) capture "Accrued Freight Costs" as a line item in the general ledger by business unit.

High Level Business Solution:

Discussed with the Director of Transportation what his needs were for the system to support freight rate contract negotiations on an ongoing basis. Scoped the complete project and documented individual shipping processes. Reviewed the configuration with the end users and revised as needed. Developed an in-depth as-is, to-be scope document. Reviewed each piece of the project and made recommendations where substitutes were possible. At the time, several carriers were facing bankruptcy, making their likelihood for future partners seriously in doubt. Made recommendations for alternative carriers. Recommended interface be built to software package for determining distance between origin and destination for full truckload rates. Analyzed EDI objectives and met with partners to resolve needs going forward.

Business/Technical Solution Details:

- Reviewed shipping processes currently in place for each of the manufacturing locations.
- Designed tariff zones and freight pricing condition codes and access sequences.
- Installed freight rates in system.
- Built routes as needed to support freight rates.
- Tested accounting updates from freight rates.

- Verified that billing documents were being updated correctly with freight rates and that rates were being calculated correctly for each scenario defined.
- Met with technical team to provide them with specifications needed for interface to software (Rand McNally) that would provide the distance between origin and destination.
- Coordinated all EDI document adaptations and changes between carriers and EDI team.
- Met with UPS representative to go over which EDI documents to use in order to communicate data fields needed to cover requirements for all manufacturing locations.
- Implemented changes to standard configuration to model global template, customizing for specific locations.
- Worked side-by-side with users, insuring they had a complete understanding of all changes being made in the functionality of the system and what expectations they could have going forward.
- Wrote documentation and provide the ongoing support team with training.