



HOW TO WIN AT LOGISTICS

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TABLE OF CONTENTS

3	Introduction
4	Warehouse Management System
5	What can a WMS Do?
7	Why Is a WMS Important?
8	Inbound & Outbound Process
9	Inbound Process
14	Outbound Process
18	Outsourced Warehousing & Fulfillment Solutions
19	Challenge of Space and Time
20	Factors to Consider
21	Future of Trucking & Logistics

INTRODUCTION

Often times, businesses are faced with the difficult decision of managing transportation, distribution, storage, and handling of materials themselves or contacting full-service logistic companies about an outsourcing solution.

In most cases, a business does not have the staff, infrastructure or means of transportation needed to manage an entire logistics system in-house.

A company who cannot expand its existing facility due to land restrictions may need a company who can safely warehouse and distribute its stock to consumers.

An organization with limited technology can benefit from a warehouse management system used by larger supply chain management companies. Orders, receipts, tracking and other critical info can be updated in real time, giving companies more control over their inventory.

Although the supply chain can be very complex, there are a few main factors that will help you to win at logistics.



WAREHOUSE MANAGEMENT SYSTEM

A major component of some business' success and survival is supplying exceptional distribution services to consumers or other businesses through third-party (3PL) logistics companies.

The opinion of a certain product or business can be greatly influenced by all players within a supply chain, including the third-party logistics company.

This has created competition within the logistics, trucking and warehousing industry to offer solutions that are extremely effective, well-managed, and customized to the client's requirements.



WHAT IS A WAREHOUSE MANAGEMENT SYSTEM?

To manage complex tasks within the supply chain, logistic companies have implemented internal systems called **Warehouse Management Systems (WMS)**. These highly configurable and functional systems allow companies to take control of their product and manage every aspect of storage, shipment and distribution.

What Can a WMS Do?

When looking for a Warehousing and Logistics Company to trust with your product, there are certain features that should be provided through the logistic companies' chosen WMS system.

These features are just a few of the basic warehouse management system requirements that a logistics company should provide to their clientele through a WMS, as well as consistent communication, management and product/shipment updates throughout the supply chain process.



Internet Enabled

To provide accessibility and control of your product the WMS system should be accessible through standard web browsers. Employees and customers should have immediate access to critical information such as: receipt information, new orders, inventory levels, reports, and distribution activities.



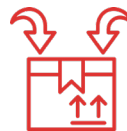
Packaging Options

A modern 3PL logistic company can take your bulk goods and package them for your end customer thus saving you space and the hassles of running a packaging department. This is especially useful if you sell the same product to different customers under their private label brand. The product can be stored in bulk and then only the amount needed to fill your customers demand is packaged.



Real-time Capabilities

An advanced WMS system is necessary, but it is becoming increasingly more important to receive information in real-time. Through integrated hardware and software programs, products can be integrated to enable real-time inventory processing.



Kitting / De-Kitting

Based on customer requirements, BR Williams has been providing kitting functions by creating work orders that direct warehouse associates to combine several items to form a new item... or convert an item into a new item. "De-kitting" can also process returned kitted merchandise and place salvageable kit components back into inventory.



Stock Rotation Methods

A strong WMS system will support a variety of stock rotation requirements, including FIFO, LIFO, lot number, receipt date, manufacture date, expiration date, and support for serial number tracking. Orders can identify specific serial numbers of items to be picked, or can perform serial number capture during the outbound process.



Returned Goods & Backorder Processing

Logistic Companies that only ship a product from point A to point B have been left behind. Now, routes are complex and deliveries are unique to the consumer. Another part of the supply chain process is dealing with returned goods and backorder processing.

With an effective WMS system it is possible to know of a shipment or delivery issue the minute that it happens. It also allows for more control of the returned product, helping businesses manage re-inspection, quality control, rework, repackaging, re-inventory, salvage, destruction or “return to vendor” status. These systems should also allow for backorder rules to be set at both the customer and item level, providing automatic backorder generation and management



Inventory History Transaction Logs

It's important that the inventory system log all activity related to inventory inbound, outbound, internal warehouse movement, and even inter-warehouse transfers. This provides a complete audit trail of activity affecting your inventory.



Customized Reporting & Compliance Labeling

While standard reports are crucial and used throughout the entire supply chain process, your WMS should allow for customized reports to be saved and used, as well as sorted, stored and distributed electronically. Shipping documents should also be customized based on consumer needs and available electronically.

For your customers that require compliance labeling the 3PL should have the ability to create and manage this process so you don't have to worry about software and systems to meet those customer requirements.

EXPERT TIP

Be sure, when choosing a logistics solutions company, to find one that will suit your needs, big or small, and will allow the opportunity for your business to grow or expand.

Why Is This Information Important To You?

Understanding why logistics companies invest in best in class WMS systems to power your supply chain needs, is important because if you don't have a strong need to outsource distribution services TODAY...you may after only one strong year of new sales.

The core functions of a powerful WMS system should also include:

- General Inventory Maintenance
- Inventory Adjustments
- Placing Products on Hold
- Kitting and Product Conversion
- Stock Rotation Methods
- Cycle Counting
- Physical Inventories
- Inventory Reporting
- Inventory History Transaction Logs
- System Security

THE SYNAPSE SYSTEM

BR Williams proudly uses the Synapse System. It offers these capabilities to customers, including many more, to ensure that each client's unique supply chain process runs seamlessly.

The Synapse System major features and capabilities used by BR Williams include:

- Internet Enabled
- Real-time RF Technology
- Barcode Technology
- Pick & Pack Options
- Automated Material Handling System Integration
- Returned Goods Processing
- Backorder Processing
- Item Substitution
- Inventory Cost Tracking
- Retail Price Tracking
- Activity and Performance Monitoring
- Automated Knitting and Assembly
- Automated QC and Product Inspection
- Compliance Label and Document Generation
- Shipping Documents Capabilities
- EDI / Electronic data transfer
- Customized Reporting and Electronic Distribution

INBOUND & OUTBOUND LOGISTICS PROCESS



It is important to know the basics of an inbound and outbound process to better understand how it affects the efficiency of your overall supply chain:

The Inbound Process:

1. Recording and Receipts
2. Load Arrival
3. Receiving Real-Time Information
4. License Plate Tracking
5. Put-Away and Receipt Close

The Outbound Process:

1. Order Entry, Adds, Changes, and Deletions
2. Replenishment and Product Picking
3. Packing, Staging, Checking, and Loading License Plate Tracking
4. Shipping and Document Generation

Within the supply chain process, there is a much smaller piece of the puzzle that is arguably the most critical component in maintaining accurate inventory: The Inbound and Outbound Logistics Process.

If inventory is not initially received and reported accurately during these processes, it becomes nearly impossible to maintain an accurate system or record. This affects all aspects of logistics services and the supply chain.

Also, if the outbound process does not operate correctly, shipments may be incomplete, arrive late or sent to the wrong recipient.

For this reason, you should figure out how to choose a logistics and trucking company that focuses a great deal of attention to the inbound and outbound process. To ensure that this process runs as smoothly as possible, at BR Williams (a 3PL logistics company serving the USA and Canada), we use a top-of-the-line warehouse management system (WMS) with real-time logistics services capabilities.

1

The Inbound Process

Recording and Receipts



Recording and receipts drive the inbound process

Receipts help supply chain professionals ensure that each step in the process is completed and communicated with accuracy. Basic receipts include item, quantity, unit of measurement, and other required information.

Elements that should be tracked throughout the inbound process include:

lot numbers, manufacturing dates, expiration dates, serial numbers, P.O. tracking, various inventory receipt statuses, default receipt status rules, emergency re-direction, routing of times to special staging on “short” inventories, immediate availability of items for backorders and cross-docks, and more.

Pre-receipt notification is among the newer and exciting logistics services in use by supply chain companies.

This service speeds up the inbound process by reducing the amount of information entered manually. The pre-receipt process allows for automation, real time receiving and put away functions, reduction of receiving errors, and minimizes cost.



2

The Inbound Process

Load Arrival

Your receiving process should start immediately after pre-receipts have been loaded into the WMS system.

However, with a highly functional WMS system (like the one BR Williams utilizes), product is more than simply received. Within minutes, the system can make receipt/load appointments in advance, or reserve docks, doors, and staging areas.

This preliminary inbound planning helps supply chain management companies become more efficient when completing each logistics service. **All receipt information should be already entered with minimal human error.**

Due to this, when a receipt/load arrives, the warehouse coordinator knows exactly which dock door to direct the truck, and then can easily assign an unload staging area.



3

The Inbound Process

Receiving Real-Time Information

The “receipt” is handed to coordinators, already “bar-coded” with specific instructions for an associate who can begin the receiving activities and real-time reporting.



Checking processes as you go ensures that the inbound process continues to run smoothly.

Automated systems used by your logistics and trucking companies should ensure that warehouse associates are at the correct dock door and are unloading the correct shipment based on information from the bar-coded receiver.



TYPES OF RECEIVING

Once the inbound receipt and load arrival process is completed warehouse associates begin detailed receiving. Types of receiving are different for each supply chain and trucking company.

BR Williams does detail receiving in two ways:

One-Step Receiving

When customers benefit from eliminating the staging and have their products sent directly to storage

Two-Step Receiving

When the receipt/load needs to be staged instead of putting directly into storage

4

The Inbound Process

License Plate Tracking



Having control over your moving product is just as important as having control during storage and warehousing.

Trucking companies know this, and have started allowing for their license plate numbers to be tracked through WMS systems.

This is an important step in managing the entire inbound process, and became necessary in December, 2017 when ELD compliance became mandatory.

Three Phases of Implementation of ELD Compliance

ELD implementation is scheduled to take place in three phases. These are:



Phase 1: Carriers and drivers may continue to use manual log books and AOBDRs while implementing registered ELD equipment until December 18, 2017.



Phase 2: All manual log books will be eliminated and are no longer valid. Carriers using AOBDRS installed before December 18, 2017, may continue to use these as proof of RODS for 24 more months.



Phase 3: All AOBDR equipment must be replaced by registered ELD equipment by December 16, 2019. All carriers using approved ELD equipment will be legal. Note that existing AOBDRS can be transferred to new vehicles after December 18, 2017, but no new AOBDRS may be purchased and installed after that date.

5

The Inbound Process

Put-Away and Receipt

In older systems, once the product was received, it was stocked only by professionals. This is still true today in certain cases. However, new systems provide for other options and automation.

For example, BR Williams' WMS system specifically allows customer configured settings that help determine whether your product will be put-away using an operator-dictated or system-directed method.



The final step for logistics and trucking companies involved in the inbound process is updating in real time that the trailer or carrier has been emptied.

This is when real-time capabilities allow for review and exceptions.

The process speeds up when receipts and other information can be sent in real-time. It also allows for docks to be immediately labeled "available" for other receipts/lead shipments.

1

The Outbound Process

Order Entry, Adds, Changes, & Deletions



When the inbound process is handled correctly, it allows for an easier outbound process.

Order entry is similar to the pre-receipt process in the inbound process. The first steps of an outbound system is to validate orders, check for errors or duplications, and handle exceptions immediately.

Up to the point that line items are loaded onto an outbound trailer, customers should have the ability to add, change, or delete specific items or entire orders.

Making these logistics services available to customers is the number one reason why real-time reporting is crucial to the outbound process.



2

The Outbound Process

Replenishment & Product Picking

Replenishment is essentially planning for future deliveries by establishing pick pre-requisite requirements and scheduling logistics services and activities to be completed before the corresponding pick tasks.

This step allows for your supply chain to continuously operate with minimal manual planning and strategy between steps

The picking process can be simple or very complex. Your picking process should be unique due to the nature of different businesses, industries, and clients.

Choose logistics and trucking companies that allow for tailored picking capabilities and strategies.

TYPES OF PICKING STRATEGIES

- Order picking
- Line picking
- Cluster picking
- Batch picking
- Zone picking
- Label-based picking
- Paper-based picking



3

The Outbound Process

Packing, Staging, Checking, and Loading



Packing is arguably the most important logistics services involved in the outbound process. It includes packing items, inspecting, labeling, routing and manifesting outbound orders per specific customer requirements.

If this step isn't managed flawlessly, completed shipments and arrival times can be compromised and the reputation of the business will be at stake.

Staging locations should already be decided if an automated system is involved. While going through the process of staging, checking and loading each step should be recorded in real-time thorough WMS for accuracy and timeliness.

Once all shipments are loaded and ready to go, a warehouse coordinator should be automatically updated, and a associate should be directed to load your order onto a trailer.



4

The Outbound Process

Shipping & Document Generation

The last step to a successful outbound process is shipping the product to its final arrival place and creating a log of the process for your records.

This is another important reason to use trucking companies who utilize a WMS. If every step has been recorded throughout the process, the final reporting is essentially already complete.

THE KEY TO A SUCCESSFUL INBOUND & OUTBOUND PROCESS

If you are considering using a logistics or trucking company, ensure that you are hiring a company that can meet your specific needs in an efficient, highly functional way that is reported to you online and in real-time.

BR Williams proudly uses one of the most powerful warehouse management systems in the industry so that clients have real time access to the most critical data required to deliver the right product to the right place at the right time.

Our capabilities provide the most options, provide unique and personal solutions, real-time updates and control, as well as an ability to improve our client's inbound and outbound process.



OUTSOURCED WAREHOUSING & FULFILLMENT SOLUTIONS

Just about every successful business grows to the point where some tasks can't be performed in-house. As a result, it often makes sense for growing businesses to outsource their warehousing and even order fulfillment responsibilities.

Of those who choose to outsource, the majority do so because they don't:

- Have the proper space to accommodate inventory levels
- Have the know-how to perform services consistently at a high level
- Have the personnel or resources required to satisfy all aspects of order fulfillment like staff, expertise, equipment and enabling technology

Eventually, the business owner, management and staff find that they are in over their heads, spending an abundance of work hours on excessive storage, shipping and receiving duties that were nowhere near as strenuous when the business was still in its infancy.

Sooner or later, these overworked individuals determine that their time could be better spent focusing on the business's primary activities. This is precisely why so many business owners and managers outsource warehousing, fulfillment and other distribution center activities.

The Challenges of Space & Time



When a business reaches the point where additional storage space or distribution services are necessary, it is time to ally with outside organizations that specialize in these solutions. The future alliance also proves beneficial if the overburdened business is simply lacking human capital or the most precious resource of all – time.

Plenty of outside organizations have the space, manpower and time necessary to provide warehousing and fulfillment in one organized space. Some companies offer these services a la carte.

WAREHOUSE VS FULFILLMENT HOUSE

When a business requires storage space, it needs a **warehouse** or a similar structure. A warehouse serves the purpose of accepting incoming inventory deliveries from a source which is often the manufacturer. It is imperative that the selected warehouse can store inventory in a safe manner, free from threats like theft, fire, water damage etc.

A **fulfillment “house”** is commonly implemented as a *warehouse service* to broaden the services available in the distribution center and whereby make the center more attractive to current and potential clients.

Factors to Consider

When the business is evaluating its current warehousing and order fulfillment solution (in-house or outsourced), there are certain factors that should come under consideration.

GROWTH

Find a suitable fulfillment house that allows your business to grow without hindrance. This way, you won't be stuck with a backed up order queue in a few months... or a year, and not have a way of fulfilling the requests.

ORDER FULFILLMENT

If you manage your warehousing and fulfillment in-house today, you can fulfill your current orders at the moment, you might need more space and assistance in a few months or years. If a spike in sales is expected in the near future, the time to ally with a fulfillment house is right now.

EXPERIENCE

Vet each prospective fulfillment house in terms of years of experience, quality control protocols, their clients' industries, services offered and even the extent of their knowledge of shipping regulations.

COMPANY NEEDS

Take a close look at your company's current needs. Then try to extrapolate your supply and demand levels across the ensuing months and even a couple years into the future.

VALUE ADDED SERVICES

Certain fulfillment houses offer "value-added services" such as an in-depth analysis of client needs that generate solutions to boost efficiency and reduce shipping costs. Don't hesitate to ask for a resource within the organization who will help mastermind important strategic fulfillment solutions.

REPUTATION

Of critical importance is the fulfillment house's reputation in the community. Do some research (online might be the easiest) on the reputations of fulfillment houses. If they don't have a solid track record of success serving the fulfillment needs of other businesses, do not trust them with your inventory and orders.

THE FUTURE OF THE LOGISTICS & TRUCKING INDUSTRY



With the large number retiring drivers and slow growth of entry-level candidates in search of a trucking company job, the driver shortage is expected to increase again in 2018 to over 63,000 needed drivers.

If the trucking industry experiences no change or new regulation, the trend line is expected to continue at the same pace, resulting in a shortfall of 175,000 drivers in 2026 or before.

In order to better understand what a trucking company might expect in the future, it's important to consider the contributing factors that have resulted in the current market conditions.

At any given time, the various factors that affect the degree to which truck capacity supply is meeting demand can, and often do, point in different directions. When this is the case, trucking company capacity and rates are stable. When these factors are all exerting the same type of pressure, trucking company capacity can tighten or loosen rapidly. As it has occurred in 2017 and will continue to occur through 2018, these factors are aligned in a perfect storm scenario that will prove to be very challenging for shippers and brokers.

As the cost of operating a trucking company has increased, carriers have passed along these costs to shippers. In return, shippers have encouraged carriers to find ways of becoming more efficient. Carriers have indeed responded to this, by trimming so much off of the process that any more could begin to affect the product itself.



ABOUT BR WILLIAMS TRUCKING, INC.

With humble beginnings back in 1958, BR Williams has grown into an award-winning supply chain management company servicing all 48 contiguous states and Canada. With facilities in Anniston (2), Oxford, Piedmont, Eastaboga, Mobile and Tallahassee, FL, BR Williams supports over 2550 customers across the Distribution, Logistics and Transportation divisions. Industries served: automotive, defense, home improvement, education, food raw materials, textiles, chemical, industrial packaging, metals (finished goods), highway safety and more.

To discuss your Distribution, Logistics or Transportation Services options, please contact Matt Nelson at matt.nelson@brwilliams.com or (800)-523-7963.

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