## Integrated Software Solutions for Logistics and Freight

Logistics service provider stays independent thanks to progressive and innovative ICT.

# DCS*i*.Logistics together with **IBM iSeries put Noy Logistics ahead.**

*Following all the mergers and acquisitions that have taken place in the world of freight and logistics, the Dutch 'Noy Logistics' company has managed to retain its position as one of the few independent organisations left.*

*The family owned company, based in Heijen, attributes this in part from being able to listen to the customer's requirements just a little bit better then the rest, and then implementing them, by means of innovative information technology.*

*The 'corner stone' of this technology is a software application called 'DCSi.Logistics', provided by DCS Transport and Logistics Solutions and installed on the iSeries server.*

Case Study

Since 1990, Noy Logistics has been located in the "De Grens" industrial area, near the Dutch-German border where it has large modern offices and warehouse space of 85,000 square metres.

Noy Logistics, founded in 1915, as a transport company, is currently managed by the third generation of the Noy family, and is very proud of its independence - a unique situation in this industry, which has seen many of the smaller companies taken over by global organisations.

"Noy does not intend to let itself be swallowed up in this way", says Maaike Vierboom, Sales & Marketing Representative at Noy Logistics, "as the company's outlook is healthier then ever before". This is due mainly to the fact that the Noy family still know exactly what shippers are looking for. During the 1970's the company expanded its business into warehousing, which was considered ahead of its time. Today, a range of value added services - including country specific assembly, packing, and invoicing - are all part of the Noy portfolio. They are not just satisfied either with accreditation to the quality ISO 9002 certificate. Their next goal is to obtain the customer centered ISO 2000 certificate, for which the starting point will be a monthly evaluation, together with its customers, of detailed performance reports.

*Customer focus.*

Noy distinguishes itself by focusing on its customer requirements. For instance, the way it makes the complete order and shipping status of each individual article available to the customer.

This is made possible, by the constant RF-scanning of bar codes, in the warehouse, for both in and outbound movements, together with on-board computers that report each driver activity. As well as this, Noy has specialized in fine-meshed distribution, including customer-tailored track & trace. "Something like this can only be done in a relatively small organization having short communication lines in a flat organizational structure", Vierboom explains. "The secret is to cater to the customer's demands without having to implement major adjustments to either IT or the organization."

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### Modular yet integrated

A flexible organisation requires flexible ICT solutions. "Over the past 10 years we have invested quite heavily in ICT", says Vierboom. "By using ICT to support our customer-focused strategy we have been able to differentiate ourselves from the competition."

Yet, the ICT foundations of Noy were created by solutions and on a hardware platform that the company selected in the early 1990's namely the integrated software DCSi.Logistics and the IBM iSeries server (formerly known as AS/400). "Obviously, these have not remained the same all these years, otherwise we would never be as far ahead as we are. But the reasons to select DCSi.Logistics and the iSeries still stand today.

DCSi.Logistics is one of the few solutions to combine transport management, warehousing and value-added services in one standard logistics package. The Warehousing module especially, is exceptionally strong and provides an excellent fit towards our shifting focus from transport to warehousing and value added services. The modular yet integrated nature of the application was significant then and is still now, of great importance to us. Moreover, DCSi.Logistics provides extensive management information, enabling us to work pro-actively. This is essential to our customer-focused philosophy."

Vierboom speaks highly of the flexibility and detail contained in the package. "Every single step can be followed and monitored. And more importantly: every step can be refined into separate steps. It is therefore possible to make management information as detailed as you would like to have it. And the interfacing possibilities are extensive too. For example, based on 'activity-based costing' we have a direct link with our financial application. EDI and connections to external applications like SAP pose no problem either.

As well as all of this the co-operation with the software provider DCS is excellent, even though we are amongst the smaller users of DCSi.Logistics. It is a real partnership. Because we are relatively small, we often act as a pilot site for DCS.

New software can after all be easier to test in a smaller environment. This gives us advantages too, because we can differentiate ourselves and stay ahead of our smaller competitors by being involved with the development of a leading application like DCSi.Logistics. As DCSi.Logistics offers a tremendous amount of functionality and flexibility it is mainly used with the larger logistics companies, but we find the complexity of DCSi.Logistics rests in the background, so the user-friendliness of the application does not suffer."

### Intentionally a small IT organisation

It is fair to say that the choice of DCSi.Logistics was preceded by the choice for an iSeries server."Yes, the iSeries was a very conscious decision we then selected an application to run on it."

Why not Unix or a PC-server? - "Because the iSeries has always provided the perfect combination of stability, scalability, security and manageability. A PC-server is far from being stable and secure, and a Unix machine requires much more 'do-it-yourself' maintenance work. That is not a welcome requirement for a company that intentionally has only a small IT organization. The iSeries did not really limit us in our package selection either as there are a large number of logistics applications available for this server."

The reliable reputation of IBM was also of importance. "We have opted for a disaster recovery scenario through the IBM centre in Zoetermeer. This way we have ensured the continuity of operations within the company.

All our small maintenance jobs are in turn handled by a regional IBM Business Partner .

IBM Lotus Notes was chosen as our communication platform. We have not yet gained maximum advantage out of that, but the choice for Notes was inspired by the fact that it offers much more than the standard e-mail application. We would especially like to take further advantage of the database structure Notes offers in the future.'

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### Shorten the logistics chain

Noy Logistics' turnkey concept is especially successful within retailers and medical suppliers. Noy has also gained a lot of publicity through the pioneering co-operation with window decoration manufacturer Hunter-Douglas, well known for the brand Luxaflex. Together they founded Tapestria.com, an internet based market place, where North American interior decorators and furniture designers can order exclusive, tailor-made European fabrics.

The complete logistics process behind this web site is performed by Noy. "It was a really good opportunity" according to Vierboom. "Everything that is European is considered exclusive and is in great demand in the USA and Canada. At the same time it is impossible for individual designers to browse the whole European market, just like it is impossible for fabrics suppliers to enter into a foreign market. With Tapestria.com we are bridging this gap. It is a text book example of shortening the logistics chain, by cutting out the unnecessary steps."

Noy not only takes care of the centralized storage of the material, they also cut and pack the fabrics. "Customers can order to size. Via the parcels carrier, UPS, their order will be delivered in the US or Canada within 72 hours. All the steps in the logistics chain - ordering, picking, cutting, packing, and shipping are reported on the web site." Naturally, the concept required some IT modifications.

Vierboom: "It was for this reason that we implemented full-scale, real-time RF scanning. We also developed an order collection kart, and have implemented an interface between DCSi.Logistics and Hunter-Douglas's SAP system. In this way we have been able to offer them Virtual Warehousing."

### Website integration

In the area of ICT, Noy Logistics has numerous ideas it would like to adopt. It is their intention to make the order status reporting, that is currently handled via EDI, available through the website. In this way smaller customers, who are unwilling or unable to invest in EDI, can track the progress of the distribution and possibly even integrate this information into their own systems. In the transport area, Noy would also like to gain more efficiencies, by integrating the DCSi.Logistics planning module, with a route optimization tool in the on-board computer of the truck. The introduction of a bar code system for transport will enable drivers to report different statuses automatically back to the system such as arrived, unloaded, etc. One scan would be sufficient.

Together with all of this, electronic archiving also features on Noy's 'wish list'.
Just like the implementation of e-procurement, for the most important customers, this will subsequently be one of the most important applications.

Vierboom: "We already exchange information with our customers anyway, so why not exchange invoices and way-bill copies? This should also become a web based service, just like the publication of the on-board computer data.

The common denominator of all these plans? To make information flows shorter and faster. This way we can create a win-win situation for us and our customers."

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