



Linfox: Gaining a Consistent, Powerful, Sophisticated Platform with SAP® Extended Warehouse Management

Linfox Pty Ltd is bringing the “Linfox way of working” to retailers and their suppliers across Asia-Pacific that use its warehouse management and transportation services. Since implementing supply chain solutions based on software from SAP, Linfox can now leverage **greater functional capabilities** as well as system reliability, reduced deployment costs, and supportability.

Partner



Executive overview

Company

Linfox Pty Ltd

Headquarters

Melbourne, Australia

Industry

Transportation and logistics – third-party logistics providers

Products and Services

Freight and warehousing services

Employees

20,000

Web Site

www.linfox.com

Partner

FourPL Pty Ltd



BUSINESS TRANSFORMATION

The company's top objectives

- Standardize warehousing and transportation methods across Asia-Pacific
- Improve productivity, accuracy, and flexibility in processes and business models supported
- Satisfy customer expectations for solutions based on SAP® software

The resolution

- Based warehousing solution on the SAP Extended Warehouse Management (SAP EWM) application
- Based freight management solution on the SAP Transportation Management application
- Implemented the SAP Event Management application to monitor all tasks

The key benefits

- Improved productivity
- Eliminated legacy systems, lowering support costs
- Harmonized with customer base, almost all SAP software users
- Was able to remove manual processes and rogue solutions

Read more ►

“Our system based on SAP EWM provides a consistent, powerful, and sophisticated platform for meeting our customers' needs. Standardization is a tremendous advantage in generating value for them.”

John Ansley, President of Supply Chain Solutions and CIO, Linfox Pty Ltd

TOP BENEFITS ACHIEVED

0

Unplanned outages, vs 1x per month before

50%

Lower labor costs per rollout than legacy

US\$246k

Lower annual software support costs

See more metrics ►

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Mastering supply chain management

Linfox Pty Ltd is a leading third-party logistics provider and one of the Asia-Pacific region's largest sources of supply chain solutions. The company delivers freight and warehousing services to many customers in industries as diverse as fast-moving consumer goods, mining, heavy industry, and retail. Linfox operates nearly 2 million square meters of warehousing and 5,000 vehicles in seven countries. Goods worth over 50 billion Australian dollars (US\$45.8 billion) are moved annually through the Linfox supply chain.

In the past Linfox supported its warehouse management and freight services using a variety of legacy applications. With the logistics required to satisfy business needs growing ever more complex and customers demanding more visibility and control over their shipments, Linfox realized the need for stronger

software. The company wanted an integrated, standardized solution for use in its operations, a solution that combined powerful functionality with reliability, supportability, and the ability to be implemented quickly. Linfox wanted to improve its capacity to make timely deliveries of perishable products, increase its governance of freight activities, control its logistics costs, and make it easier to deliver improved services to its customers.



\$45.8billion

Goods moved through the Linfox supply chain annually



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Meeting customer expectations for vendor excellence

Linfox has long been a user of SAP® software for its core financials and other backbone operations, so SAP was an obvious source to turn to for supply chain solutions. To achieve all the benefits of integration, the firm has a policy of fulfilling requirements with SAP software whenever possible. In addition, almost all of the company's customers are SAP software users as well, and they were clamoring for compatibility with Linfox. "Our customers wanted us to adopt SAP solutions as the basis for our service for some good practical reasons," says John Ansley, president of supply chain solutions for Linfox and the company's CIO. "For example, having the same software makes it easier to do things like issue orders and communicate acknowledgements. But I think the biggest reason was psychological. They had developed so much respect for SAP that they wouldn't have taken us seriously if we chose any other vendor. It's just plain good business to be able to say we run SAP software."

As the new basis for managing activities in its warehouses, Linfox chose the SAP Extended Warehouse Management application. The SAP Transportation Management application was the company's choice for managing its shipments, vehicles, and transportation personnel. Finally, Linfox selected the SAP Event Management application for monitoring all tasks and issuing alerts when situations arise that personnel need to address, such as delivery delays.

As its implementation partner Linfox chose FourPL Pty Ltd because of the vendor's in-depth knowledge about the company, its extensive experience implementing SAP applications, and its reputation throughout the SAP ecosystem.



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Vast productivity improvements are just the beginning

The Linfox and FourPL team, with architectural help from SAP, have implemented the new “Linfox way of working” solution in much of the firm’s extensive logistics network, and work is underway to extend it further. Three of the company’s vertical industries – pharmaceuticals, mining, and tobacco – are currently using the solutions.

“We are delighted with the results we’re seeing,” says Ansley. “With the great software support our people are getting, accuracy of tasks like picking and taking

inventory has improved a great deal as well. New implementations at distribution centers take far less time, and every one so far has been completed on schedule and within budget. By standardizing on one solution we’ve been able to eliminate legacy systems and greatly reduce our overall support costs. Most of all, we’re making our customers happy by delivering the quality of service they deserve and using a platform they want us to use.”

KEY BENEFITS

US\$246k

Lower annual software support costs

0

Unplanned outages, vs 1x per month before

50%

Lower labor costs per rollout than legacy



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Partnering with SAP for new technologies

The “Linfox way of working” rollout continues and will ultimately embrace the company’s entire enterprise. Meanwhile, Linfox is partnering with SAP and some third-party companies to introduce several new technologies that will extend the solution’s benefits even further. But even without those new technologies, the company has a great deal more potential to reap just from its existing solutions. “There is so much functionality in our SAP applications that we have yet to exploit – far more than we have ever had in the past,” says Ansley in conclusion. “It’s a challenge to find the time to deploy it all.”



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