



## 5 Steps to an Effective Start-Up

When you're planning a transition of operations — whether it's moving to a new facility, changing 3PL providers, or opening a new facility — a smooth start-up is critical. It can help ensure speed to market, control costs, maintain excellence in customer service and provide peace of mind.

At Saddle Creek, we use a detailed project management process to ensure success. At a high level, these steps include:

- *Defining project scope* – objectives, deliverables, timeframe, etc.
- *Soliciting project sponsors* – preferably with leaders from both parties (3PL and customer)
- *Planning and resourcing* – tools, milestone events, incremental steps, resources, due dates, etc.
- *Implementation* – kick-off, regular communication meetings, budget tracking, contingency plans
- *Transitioning to on-going operations* – including post-implementation review

When selecting a 3PL partner, it is important to seek out a company with proven processes, the necessary resources in place and the ability to integrate with your systems. Effective communication and control are essential, as well as senior-level attention. By choosing a provider experienced in start-ups, you'll benefit from best practices and the expertise necessary to ensure a seamless transition.

## Whatever It Takes

### *Saddle Creek puts start-up on the fast track for manufacturer*

When a well-known home-and-office product manufacturer needed a new logistics partner in the Memphis, Tenn. area., it had ambitious objectives to fill in short order: maintain the company's trademark customer service, control costs and improve visibility.

Fortunately, Saddle Creek was able to deliver. The 3PL devised a timely and cost-effective integrated solution that enhanced the transparency of operations, improved retail compliance and upheld the manufacturer's strong service record.

### The Business Challenge

Late December is typically not a time when you'd expect to transition to a new third-party logistics provider. But, in the midst of the holiday hubbub, with the end of the fiscal year just three months away, the manufacturer needed a 3PL to manage distribution and transportation operations in its largest facility.

Timing made it essential to effect a quick and efficient operational takeover. In order to hit the ground running, the manufacturer needed a provider with extensive industry expertise and an outstanding reputation for customer service.

"One of their greatest areas of concern was the magnitude of this project and the commitment of the supplier," says Tom Patterson, senior vice president of warehouse operations at Saddle Creek. "While other providers were less flexible and unwilling to tackle a project of this scale, Saddle Creek pledged to do whatever was needed to make a successful transition."

Saddle Creek's confidence in its capabilities stems from the company's commitment to having dedicated individuals on staff who excel in facilitating start-ups. The 3PL also has established processes that help guide every aspect of the start-up and ensure proper management and support for such transitions.

"By formalizing the approach," explains Doug Johnston, Saddle Creek's vice president of customer solutions and operations support, "we can handle a high degree of difficulty with a high degree of certainty that we can achieve objectives."

Saddle Creek quickly established a comprehensive action plan and arrived with a SWAT team including key players from the 3PL's management, human resources, safety, and process engineering teams. In the first week alone, the team conducted a full physical inventory of the distribution center while maintaining normal shipping operations. Within a few weeks, Saddle Creek had accomplished numerous objectives designed to reduce costs and increase visibility.

During this critical transitional period, Saddle Creek was able to provide **seamless customer service** — no small task, considering the manufacturer's dense order volumes — approximately 8,000 LTL shipments, 8,000 parcel shipments, and 400 truckload shipments per month. "Saddle Creek really lived up to its promise," says Johnston.



## Saddle Creek Delivers Solutions

Saddle Creek now manages one million square feet of warehouse space and all inbound, order processing, inventory control and outbound functions for the home-and-office product manufacturer's Memphis distribution center. In addition, the 3PL handles all transportation management, including truckload, LTL, parcel, as well as a variety of transportation management functions including carrier negotiations, carrier management, RFP development and distribution, freight tender, auditing and bill pay.

Three aspects of Saddle Creek's performance during the start-up process stood out to the manufacturer's management: systems expertise, the ability to offer innovative ideas for cost savings, and the serious commitment of the entire Saddle Creek team.

### Systems improvements

Saddle Creek's ability to adopt and integrate with the manufacturer's systems was critical for a seamless start-up.

The 3PL immediately began working to make improvements to order process flows, reporting functions and processes associated with distribution center and transportation operations.

Retail compliance is a significant issue for all CPG companies. By working with the manufacturer to implement key system changes related to customer due dates and other compliance metrics, Saddle Creek was able to have a positive impact in this area.

Saddle Creek's systems expertise also helped to improve visibility. With the help of a new transportation management system, Saddle Creek is able to provide full visibility of freight flows and costs by lane and method of service for continued improvement and analysis. Saddle Creek also suggested changes within the existing warehouse management and order processing systems to increase efficiencies.

### Cost savings

In addition to savings associated with improved retail compliance, Saddle Creek's solutions also resulted in significant efficiency gains. By partially reengineering the layout of the distribution center, the 3PL was able to help the manufacturer eliminate the need for 50,000 square feet of costly outside warehouse space. Process improvements also helped to reduce the hourly head count in the distribution center.

"The manufacturer has realized substantial savings as a result of these initiatives," Patterson says.

The start-up planning process itself also helps to control costs. Patterson explains, "The planning process allows you to understand costs up front and then budget for and manage against those costs."

### Personal commitment

The start-up process for Memphis operations truly exemplifies Saddle Creek's brand promise: "Whatever it takes."

The 3PL's commitment to the project was demonstrated by the presence of key members of Saddle Creek's management team on-site throughout the process. Two senior vice presidents, along with a team of experienced associates, helped to make sure that the manufacturer had everything necessary to provide seamless service to its customers.

Since staffing needs were uncertain, Saddle Creek also arranged to have dozens of hourly employees from its campuses across the country on standby, ready to travel to Memphis at a moment's notice. Ultimately, these employees were not needed, but Saddle Creek's ability to provide this level of flexibility underscores its dedication to preventing any disruption within operations.

The commitment of these human resources was particularly noteworthy since Saddle Creek was implementing two other start-ups during the same time period.

## The Next Step

Now that the start-up phase is complete, Saddle Creek plans to continue providing integrated solutions, flexibility and new ideas to strengthen the manufacturer's supply chain.

"Moving forward, we'll definitely look for additional opportunities to create efficiencies and manage costs," says Patterson. "That's just part of how we do business."



*Integrated Logistics Solutions, One Provider — Nationwide*

Based in Lakeland, Fla., Saddle Creek Corporation is a privately held third-party logistics services company that provides integrated logistics, warehousing, transportation, and contract packaging services nationwide.

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