

CASEBOOK

Improving Visibility: And Sew It Goes

THE CUSTOMER

Tacony Corporation is a Fenton, Missouri-based manufacturer and wholesale distributor of a diverse line of products and services, including sewing machines, vacuum cleaners, and commercial floor care equipment.

THE PROVIDER

Sunset Transportation, based in St. Louis, offers a wide portfolio of 3PL services and technologies. Its customized solutions include logistics optimization and management, freight audit and payment services, and expedited delivery.

by Karen Kroll

Family-owned Tacony Corporation offers sewing and home and commercial floor care products in more than 100 countries. Because of the number of products it sells and the geographic span of its operations, supply chain visibility and efficiency are key. At the same time, providing timely, accurate deliveries has become ever more critical, given rising customer expectations.

Until several years ago, however, Tacony had little visibility to its shipments. In addition, management wanted to be confident it was providing the service customers expect today.

“Customers have become used to instant gratification,” says Nick Hinman, director of supply chain and business operations with the Fenton, Missouri-based organization. “We needed to broaden our ability to deliver the best customer experience.”

Tacony entered into a partnership with Sunset Transportation in 2018. The third-party logistics (3PL) provider now manages most of the company’s freight. Through this collaboration, Tacony has been able to cut costs, streamline transportation operations, and boost service levels. “Sunset has helped us be better at freight management,” Hinman says.

LOOKING FOR VISIBILITY

The product line offered by Tacony, a family-centric, third-generation manufacturer and distributor, includes Riccar vacuums, Baby Lock sewing

machines, Madeira threads, and Powr-Flite commercial floor cleaners. It sells some products to retailers and others directly to consumers.

In 2018, Tacony’s management team knew it needed greater visibility into its supply chain, as well as greater automation of its shipping function. For instance, the company wanted to better understand the freight charges it was paying so it could be confident the amounts it charged customers accurately reflected all freight costs. Tacony moves about 500,000 shipments annually.

Tacony issued a request for proposal (RFP) to a handful of 3PLs. Sunset Transportation, based in St. Louis, Missouri, met its requirements. “Our companies align on values,” Hinman says, noting the partnership is based on collaboration, the execution of deliverables, and cost.

By bringing Sunset on to manage most of its transportation function, Tacony gained greater insight into its transportation costs and access to solutions that allowed it to automate many processes. Sunset offers

CASEBOOK STUDY

Cleaning Up

CHALLENGE:

Home care equipment provider Tacony wanted to boost transportation visibility and efficiency while meeting customers' expectations for quality service.

SOLUTION:

- Partner with a 3PL to function as an extension of the company.
- Establish a small group of domestic carriers that have expertise in Tacony's product lines and routes.
- Integrate, via API, Tacony's ERP with the 3PL's rating and routing system.
- Execute an RFP for final-mile deliveries.
- Standardize management of pickup schedules.

RESULTS:

- Inbound shipments move more quickly.
- Ability to easily identify available freight provider(s) that meet the customer's requirements at a reasonable cost. Internal staff is freed up to handle other projects.
- Greater visibility, for both the company and its customers, of accurate freight costs and the progress of shipments in transit.
- Freight charges to customers more accurately reflect the actual costs.
- Recouped tariffs on products that were actually exempt.
- Flat rate accessorial charges streamline operations and let customers know their costs up front.
- Bills of lading populated automatically.

NEXT STEPS:

Planning to expand the 3PL partnership as the company grows.

logistics management, transportation management and shipper technologies, and freight payment services, among other solutions. Its business rests on a foundation of five promises: savings, visibility, data-driven decisions, continuous improvement, and relationships.

GETTING GOING

When the two companies began working together, one goal was "boosting supply chain visibility," Hinman says.

"Tacony did not have any reporting or data visibility at the shipment or transaction level," says Sarah Eggleston, director of national sales and product development with Sunset Transportation. For instance, Tacony couldn't easily determine duties and taxes at the transaction level, nor evaluate how tariffs on products from China were impacting its business.

To start, Sunset and Tacony addressed less-than-truckload (LTL), full truckload, and small parcel freight. "We focused on gaining better visibility around them, and then brought on additional modes," Eggleston says. Each year, Tacony sends more than 20,000 LTL shipments.

One step was an application programming interface (API) integration of Tacony's enterprise resource planning (ERP) and Sunset's rating and routing system. This allows Sunset to obtain data at the sales order level and use that to

identify available freight provider(s) that meet the customer's requirements at a reasonable cost. By leveraging Sunset's knowledge, Tacony's internal staff is freed up to handle other assignments.

Sunset's rating service is able to calculate accurate freight costs and provide transit information in real time. "Now, Tacony understands their costs up front," Eggleston says. When invoicing its customers for freight, Tacony can be more confident it is recouping all expenses.

Another benefit: "Customers have better visibility up front about the total freight cost they're being charged," Hinman says. Once a shipment is en route, Sunset's web-based platform provides on-demand routing and tracking information, as well as progress against key performance metrics.

Before Tacony partnered with Sunset, it had shipped everything with one carrier, whose accessorial charges would vary — one customer might pay one rate for a liftgate, and another might pay a different rate. Not only is Tacony now using a small pool of carriers, but with Sunset, Tacony negotiated flat-rate accessorial charges that apply across all carriers.

"Everybody gets the same accessorial charge now, so that helps streamline things," Hinman says. Moreover, Tacony's sales and customer service teams can let customers know up front the delivery charges to expect.



By automating sales order information, Tacony frees warehouse associates to ship products rather than populate bills of lading.

Sunset also began managing Tacony's international imports and exports, including full and less-than-container-load (LCL) shipments, as well as air freight. As part of this, Sunset examined the cost and time required to move LCL ocean shipments of raw materials. By altering transportation modes, raw materials now move more quickly to Tacony's facilities.

Products coming from China have been subject to a changing roster of tariffs. Sunset has been working with Tacony to identify the products that fall under exclusions. "We're able to leverage Sunset's knowledge and ensure we're staying compliant, as well as taking advantage of anything we may have missed in the past," Hinman says.

A new RFP helps streamline Tacony's final-mile deliveries, ensuring competitive prices and service levels. "We handle only about 5,000 final-mile loads each year, but they're an intricate mode of transport," Hinman says.

Final-mile shipments to residential addresses raise some challenges. For instance, sewing desks that require some installation include the risk of damage, as well as the need to schedule deliveries with consumers. Sunset worked with Tacony to review multiple carriers and identify the one(s) with the best networks as well as quality service.

"We didn't look just at cost and we didn't look just at the customer experience," Hinman says. "We had a collaborative discussion about which carrier we thought was the best one to move forward with, and then we worked to transition from our existing carrier to the new one."

DEFINED BY COLLABORATION

Collaboration defines the relationship between Sunset and Tacony, Hinman says. For instance, both companies' customer service teams work together. All of Tacony's suppliers go through Sunset to schedule inbound containers, truckloads, and pallets. Sunset works directly with Tacony's warehouse management team members across the world to manage the pickup and movement of freight.



To help improve visibility and transportation management of its home care products, including its floor care division, Tacony Corporation entered a collaborative partnership with Sunset Transportation.

"It's collaborative up and down the chain of command throughout both organizations," Hinman says.

Daily, Sunset reports on the schedules of inbound freight at all Tacony's locations. Monthly, the two companies review performance metrics to ensure the relationship is meeting expectations.

Like many companies, Tacony has been impacted by the COVID-19 pandemic. Hinman and his team worked with Sunset to navigate the changing world. For instance, the two companies jointly diverted freight headed to states with new shelter-in-place requirements, where some of Tacony's customers had to temporarily close their businesses. As a result, these customers were unable to accept freight already headed to them.

By working together, staying in constant communication, and making rapid adjustments, "we were able to manage through it without disruption," Hinman says.

The Tacony-Sunset collaboration has generated both hard and soft ongoing savings. "The soft savings include process improvement, customer service, and the overall visibility that we have into our supply chain that wasn't there before," Hinman says.

For instance, transit times on the thousands of LTL shipments Tacony makes each year have been reduced. Sunset also helped streamline the documentation associated with these shipments. Previously, Hinman's team had to manually complete the bills of

lading. "Instead of shipping products, our warehouse associates were busy populating bills of lading," he says.

Now, all information associated with the sales order—such as the address, accessorial charges, and weight—passes electronically. "Sunset rates the shipment, selects the carrier, autopopulates the bill of lading, and sends that back to our warehouse," Hinman says. "All we do is print the label and the bill of lading and apply it to the shipment."

FOCUSING ON SALES

Because Sunset has standardized management of pickup schedules, Tacony warehouse employees no longer spend time calling carriers to provide pallet counts. "Our warehouse teams just focus on sales orders and execution of operations, and not on managing freight," Hinman says.

Sunset also helped Tacony optimize its transportation network, ensuring it has the carriers in the locations it needs to support its customers.

Sunset's freight audit and payment service reviews spending on parcel services—another area that previously lacked visibility. Sunset is able to collect data at the shipment level in real time.

For shipments that carriers bill directly to Tacony, Sunset can capture the same data elements it would on the shipments it manages. "We merge the two datasets to give the full picture," says Jill Gross, director of business implementation at Sunset.

As Tacony grows, it plans to expand its successful partnership with Sunset. ■