



Client Snapes Project Logistics

Background Snapes Project Logistics is a major Victorian road freight transport, storage and logistics business based in Melbourne's western suburbs. Snapes specialises in moving and storing high value and bulky commercial fixtures, fittings and furniture for some of the most well-known supermarket, retail and furniture brands in Australia.

Originally established in 1932 as Snapes Removals, the business provided local domestic removal services for much of its history. However, under the leadership of owner and CEO, Rodney Goulet, Snapes operations have expanded nationally and now exclusively cater to the commercial office, apartment new-build and retail markets.

In addition to regular moving and storage tasks, Snapes manages complex projects for its clients including the end to end furniture and fittings logistics for flagship commercial office and retail fit outs across Australia.

Snapes owns and operates a fleet of purpose fitted vehicles including heavy interstate trucks and light vehicles for local work. The company's Sunshine West depot boasts multiple cross-dock and heavy vehicle facilities for receiving and despatch, as well as a state of the art 3PL (3rd Party Logistics) Warehouse facility now utilising the latest RF scanning technology and web access to inventory and orders.

The Challenge Rapid growth had led to the business outpacing its existing technology platforms and business processes, putting pressure on operations staff to manually compensate for system deficiencies and making it difficult for senior management to obtain an accurate picture of business performance and opportunities for service improvement.

In some areas of the business, such as warehouse operations, no suitable system had yet been implemented. Several unsuccessful attempts had been made to correctly identify the requirements for a warehouse system capable of supporting the complex and detailed operational management and billing requirements of a 3PL warehouse.

Snapes CEO, Rodney Goulet, is passionate about the potential for technology to support business efficiency and had invested heavily over many years in the development of a sophisticated in-house Transport Management System and online sales order system, supported by MYOB accounting software. These systems had served the business faithfully until rapid growth and the increasing costs of maintaining these legacy technologies made the conclusion inevitable: if the business was to continue its trend to double or even triple its volume of operations within 5 years, investment in a new, integrated software platform that would support the future needs of the business and its customers was vital.

Despite having reached that conclusion, Snapes were unclear of:

- the full scope of their operational requirements
- the range of solution options in the market that might meet their requirements
- the relative risks and benefits of each of the options.

Like most businesses facing growth from a small to a medium business, Snapes lacked the internal IT expertise, impartiality, resourcing and time to conduct these evaluations effectively. Even if able to do so, the complex task of preparing for the changes and correctly implementing replacement systems across the organisation without support would have created an unacceptable impact on operations and customer service.

Solution Our engagement commenced in September 2013 with an initial brief to:

1. clarify business requirements for a new end to end system solution to replace the incumbent systems
2. identify how Snapes could standardise and streamline processes to achieve a new system in the most cost effective manner possible, without compromising customer and staff satisfaction.
3. recommend whether the optimal solution should comprise one or more of the following:
 - upgrade and enhancement of existing systems (fix)
 - replacement with new “commercial off-the-shelf” (COTS) software (buy and configure)
 - replacement with a new custom built software solution (build)
 - combination of the above.

Our Role Over an initial three week period, we worked closely with a range of stakeholders to understand the current systems, issues and opportunities, across all areas of the Snapes business.

We agreed that any replacement systems should be:

- more useable (by prospective and current customers, as well as staff)
- more accessible (anyone can access and enter the correct information that they need, including mobile staff in vehicles)
- more accurate (single data model, single points of data entry - little or no re-entry of data)
- more integrated (a single integrated system from customer entry to 'after job' processes, invoicing and reporting)

We built a complete functional model of the existing systems and employed advanced software metrics techniques to estimate its size and complexity of the required system.

The major process areas that were analysed included:

- Before Job – improve accessibility and ease of use for customers, single system (no loading of jobs from one system to another)
- During Job – keep simple, allow in-system scheduling, interconnect with mobile users for data entry and job notification/update
- After Job – single source of data means accurate, accessible information in the form needed for payroll and invoicing
- Warehouse – simplify requirements to support how Snapes actually use warehousing (3PL) and provide information needed for billing
- Reporting – single integrated database with remote (mobile) data entry means accurate and timely information becomes available for business reporting (as well as payroll and invoicing)

It emerged from our analysis that:

- to address Snapes growing functional requirements with a new build would be cost-prohibitive (potentially a 7 figure system development project)
- the current systems had inbuilt issues with both design, technology platform and availability of ongoing developer support that would prevent their ability to meet future requirements cost effectively
- the most viable path would be to identify a single (if possible) off the shelf software package that could meet most if not all of Snapes requirements.

The second stage of the project involved research to confirm which off the shelf software package options specific to the Transport and Logistics industry could best meet Snapes requirements.

From a shortlist, a detailed comparison against Snapes documented functional model enabled us to identify potential candidates for on-site demonstrations.

It became clear early in the process that it would be difficult to find a single package that met all requirements, an issue common across most industries and especially with packages targeted at smaller businesses. For example, we identified products that integrated transport, warehousing and financials but had no labour costing or payroll functionality, or mobility solution, or their warehousing component could not support the detailed product management and billing capabilities required by a 3rd party logistics operation, or their operations and consulting support was offshore and offered by remote access only.

Our eventual recommendation was a combination of off the shelf systems and custom built components which would integrate to form a single working system that Snapes could grow with.

We selected and implemented a core Transport Management System with integrated Financials and CRM functionality on 1 July 2014, supported by a custom built Business Analytics portal to provide detailed costing and management reporting functionality that was not supported by the off-the-shelf package.

In final stages of development is a customised tablet/smartphone based mobility application for drivers and sub-agents to access and log operational run data. This will be built as an additional custom solution using third party tools to integrate back into the core Transport Management System. Additional customisation of the Transport Management System has been undertaken in a second phase (live on 19 January 2015) to bring the solution functionality closer to the way Snapes delivers its services.

We could not find a locally supported Transport Management System which met both core transport scheduling and Snapes' detailed 3PL warehousing requirements, so we selected and implemented a best of breed RF-based Warehouse Management System on 9 August 2014 and integrated it with the Financials component of the Transport Management System for shared billing.

The implementation of these systems has involved intimate on-site engagement with the Snapes team at every stage as well as relationships with vendors on Snapes behalf, including Snapes contracted IT technical support company, software and service vendors, internet providers, and management consultants we have identified to address specific needs at various stages of the transformation. At all times our role has been to ensure that Snapes receives the right solutions and support from vendors

and that all activities are aligned to the final outcome. This work has included detailed testing of all applications.

SNAPES SOFTWARE SYSTEMS			
System	Description	Customer Benefits	Snapes Benefits
Transport (off the shelf and customised)	Fully integrated logistics software covering CRM, job bookings, scheduling, invoicing, payroll,	- comprehensive job booking system with workflow capability - customised billing to client requirements	- linked jobs relevant for projects involving staged deliveries or rollouts - built in rates tables, customised by customer
	reporting and financials.	- customised reporting - online booking capability via web portal	- resource allocation against jobs such as vehicles, equipment and labour
Warehousing (off the shelf and customised)	Full 3PL WMS, barcode scanning, client web-portal, and invoicing.	- online visibility of inventory, real time data - online booking capability via web portal, for both inbound and outbound logistics - allows wholesalers to provide online access to their customers to their own stock levels to manage re-stock orders	- barcoding and scanning ability - multiple description fields and long character allowance for advance search capability - detailed reporting
Estimating (custom built)	Online quoting tool that provides cost estimates based on volumes, weights – to include budgeted labour hours and construction site allowances	- online access for instant quoting - allows for project extras such as; out of hours; unpack and place; inductions; site allowance - can reopen saved data from tender stage, to make job changes before order	- built-in volume and weight matrix - budgeted hours - import capability into booking system
Analytics (custom built)	Data mining, analysis and reporting on costings by job, by customer, by destination, by market segmentation, vehicles, etc	- improves invoice accuracy - expense reporting by route, volume, date range and more - variation discounting	- assess job profitability - vehicle utilisation - reporting on market segmentation
Continuous Improvement (custom built)	Reporting tool for incidents, investigations, issue resolution, process review and process change	- incident reporting and escalation - DIFOT reporting - regular process review for continuous improvement	- DIFOT reporting - task allocation and management of issue, for resolution - trend analysis

Snapes core systems are now in place and transitioned to ‘business as usual’. We have prepared training assets and systems for documentation of Snapes’ new business processes and way of working to ensure that the company has everything needed to continue to scale the business with new staff long after our involvement has completed.

Results Once these assets and remaining systems are completed, Snapes will have a scalable, integrated business system with single source of truth and near real-time data to manage the business as it continues its growth trajectory.

Since the core systems have gone live, despite the inevitable impact of the changes on staff and customers, Snapes' transport business has continued to increase with two new major customers and no loss of existing business. Once the in-truck mobility solution goes live, Snapes will have sign-on-glass Proof of Delivery, near real time data on job deliveries and automated time and incident reporting, which will further improve customer service, dramatically reduce turnaround time for billing and reduce errors and disputes.

Within 6 months of going live, Snapes warehouse was operating at near-capacity utilisation levels, up from around 50% utilisation in the months leading to the new system implementation, with a fast efficient weekly billing cycle generated largely from automatic data capture.

The success of Snapes' business systems transformation was recently recognised at the 2015 Australian Freight Industry Awards when Snapes placed as a finalist (against much larger organisations) in the hotly contested Innovation in Technology category. Close to 700 industry participants, representing all sectors of the Australian intermodal freight and logistics business community, attended the gala event on the evening of 5th September 2015. Dwarfed by fellow nominees in size, turnover and national footprint, Snapes made its mark through CEO Rodney Goulet's commitment to innovation and pursuit of business excellence.

Additional Services Although the official focus of our engagement was technology enabled transformation (replacement of disparate legacy systems with new, integrated systems), there are many other dimensions to our support and engagement with Snapes that have added real value to the business. As we have built our understanding of the Snapes business and won the trust of Snapes staff and management we have been able to introduce other valuable processes and partners to the business through our ecosystem of service providers.

To ensure the direction of technology transformation is consistent with overall business strategy, we have implemented, in partnership with Dr Mark Rehn, a comprehensive and ongoing Business Excellence/Process Improvement discipline at Snapes including development and ongoing management of:

- a Shared Strategic Vision
- 3 Year Strategic Plan with Objectives, Objective Owners, KPIs and high level Action Plans,

Detailed Case Study

Business Systems Transformation

- Key Business and Support Process Model with Process Managers and KPIs (including a full day, end to end process re-engineering workshop to define Snapes future state)
- Online Tracking of KPIs and Action Plans through a dedicated Business Excellence web portal
- Monthly reviews of business performance KPIs and Actions with objective owners and process managers
- Training all Snapes staff in Fast Process Improvement techniques and ongoing support for improvement projects across the business
- Design, recruitment and implementation of an internal systems support function to continue to support the business once our involvement ends.

These initiatives have already begun demonstrating an uplift in team morale and awareness of each person's role in continuous improvement of the processes of the business.



Victorian Transport Minister Hon Luke Donnellan (2nd from left) visits Snapes' Victorian head office following recognition in the 2015 Australian Freight Industry Awards Innovation in Technology category. Rodney Goulet, Snapes CEO (3rd from left) and Experient CEO Steve Melville (far right).