

AmeriCold

Consona Customer Management

Service Center Goes Green and Saves Big; Improves Service Along the Way

Third-party logistics (3PL) service provider AmeriCold consolidated call centers across more than 100 warehouse locations to form a centralized customer service center built around Consona Customer Management and generated huge savings, new revenue opportunities and improved customer service.

Transportation and Logistics for Major Frozen Food Manufacturers

AmeriCold operates more than 100 warehouses and offers a full range of transportation and logistics services for refrigerated and frozen product. Customers deliver product directly from the plant (some warehouses are adjacent to customer plants and connected by conveyor) and AmeriCold does the rest—takes orders, arranges shipment, and delivers to food service and retailer distribution centers.

Room for Improvement With Consona Customer Management

Historically, each warehouse had its own customer service operation. In 2005, AmeriCold decided to improve efficiency by centralizing the customer service and call center operations, moving them to its headquarters located in Atlanta. As part of the consolidation, the company made no changes to the order management process, but did install Consona Customer Management as a ticket management system for service requests. After things settled down from the move, management was able to study how customer calls were handled and determined that there was definite room for improvement. "Incoming calls were routed to any available representative," AmeriCold Vice President West Hutchison said. "We had 'canned' procedures in place but there was a

lack of continuity for the customer and it was difficult to insure that processes were being carried out consistently. We have over 3,500 customers and the procedures were not the same for every one of them."

In 2006, the company began the transformation process from a call center to a service center. First, accounts were assigned to specific account reps on teams. Each team consisted of 10 or fewer associates so that they could provide better, more consistent service using the appropriate procedures for each customer.

By early 2007, the decision was made to convert from paper-based order processing to paperless order processing. Orders coming into the center via fax, e-mail and EDI were printed, sorted, and placed in "in-boxes" for pickup by a representative, who would then key the order into the system. Delays, errors, and the occasional lost order were all endemic to the process. AmeriCold installed a document imaging system to digitize all incoming paperwork and route it to Consona Customer Management, which systematically determines which team is responsible for the order and automatically distributes the document accordingly.



Return on Investment at a Glance:

AmeriCold, a third-party logistics service provider, saw the following return on investment after implementing Consona Customer Management:

- Reduced delays in handling orders, virtual elimination of 'lost' orders, and improved responsiveness and customer service.
- Reduced errors resulting in \$350,000 savings per year in additional freight and handling.
- Eliminated 2.5 million pieces of paper, contributing to \$1.3 million reduction in operating expenses year-to-year (20 percent reduction). On target to save an additional \$500,000 in 2008.
- Discovered new revenue opportunities by capturing and tracking billable events.
- Handled 8 percent more orders with 37 percent lower staffing in the service center.

"The Consona Customer Management solution's management controls force us to do things right the first time, and that's key to good customer service."

— **West Hutchison**, Vice President, AmeriCold

Saving and Making Green: Real-Time Data in a Paperless Operation

In addition to saving a great deal of time and reducing errors and delays, Consona Customer Management provides visibility that was previously unavailable. "We have a real-time view into everything that is going on in the service center," Hutchison said, "and we can measure response time and how well we're doing on serving our customers." What Hutchison likes best are the management controls the solution provides. "We are confident that none of the orders are getting lost. We can track all contracts in detail. Each document is automatically tagged with the customer and warehouse identification." In addition, the system tracks the volume of work each rep is handling and, more importantly, ensures the proper process is followed for each customer. "It forces us to do things right the first time," Hutchison said. "And that's key to good customer service."

The savings resulting from the new Consona-directed processes are clear. Over 2.5 million pieces of paper are saved each year—which adds up to more than 30 trees a year. Add to this savings the reduced cost of toner, file folders, staples, clips, highlighters, and copier and printer repair; decreased time spent on paperwork storage and filing; and a lot of handling. Additional savings can be seen in personnel. Prior to the changes, there were about 135 people handling customer orders. Now the service center handles eight percent more orders with a headcount of only 85. Hutchison estimates that AmeriCold has saved more than \$1.3 million in operating expenses and they are on track to save another half million in 2008.

In early 2008, AmeriCold started using Consona data to schedule service center staffing to insure fast response and best utilize resources. Hutchison said: "Consona Customer Management tracks the orders by the hour they come in, and we can get a display of the order rate per hour for each hour of the day and by order type (EDI, e-mail, fax). Now we can schedule staff accordingly."

"Each time an order is created, we also create a survey that the rep must complete," said Hutchison. "That survey documents the process and insures that every step is completed properly. Then we mine the data to measure performance, check to see if we are handling requests in a timely manner, and identify ways to better handle requests." This focus on quality of service has resulted in improved response time, reduced errors, and savings of at least \$350,000 per year. "Those savings are just from not having to correct mistakes," Hutchison explained. "Fixing errors is expensive in this business. Sometimes we have additional trucking or air freight costs associated with correcting errors. Every error we avoid is a tremendous cost savings as well as a big factor in customer service."

More Green on the Horizon

AmeriCold is very pleased with the results so far. In addition to the savings, the company has been able to identify billable events that generate new revenue. In the past, many of these things were done at no cost to the customer simply because AmeriCold could not document and track them.

"We have a real-time view into everything that is going on in the service center."

— **West Hutchison**, Vice President, AmeriCold

Going Green: Paperless Order Management Savings

- Over 1.3 million orders processed and not printed.
- Paper, ink or toner, printer wear-and-tear.
- Manual handling (print, sort, put in 'in' baskets, retrieve).
- File folders, file cabinets, space to hold them.
- Staples, paper clips, highlighters.
- Copier and printer repair and maintenance.
- Outside storage of old paperwork.
- Lost orders, delayed orders, misdirected orders.

Transformation By the Numbers

AmeriCold, a third-party logistics service provider, transformed its business with the help of Consona Customer Management:

| | 2006 | 2007 | |
|---------------------------|--------------------|-----------------------|------------------------|
| Service Philosophy | Call Center | Service Center | |
| Orders Processed | 1,290,111 | 1,391,640 | (8% increase) |
| EDI | 65% | 88% | |
| Manual | 35% | 3% | |
| Online | 0% | 9% | |
| Headcount | 135 | 85 | |
| Turnover % | 52% | 11% | |
| Operating Exp | \$6,547,365 | \$5,216,428 | (20% reduction) |

A subtle but important result of the operational improvements is the effect it has had on the company's ability to grow. Much of AmeriCold's sales growth comes from expanded business with existing customers. As service has improved, AmeriCold has been able to secure this additional business. "Our internal sales team is far more confident," Hutchison said, "that we can do the job and do it well. So, they are far more confident in selling our services to existing customers as well as others."

The company is not content to sit by and enjoy its current success. The AmeriCold team continues to work on processes and procedures to improve customer service and save even more. There are also plans being formulated to exploit more of the system's capabilities. "We're looking at what we can do to better manage transportation, do appointment scheduling in the system, track and improve dock office operations, and more," Hutchison said.

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