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Navegate, an Inbound Logistics Top 100 IT Provider, is a full-service logistics company that's been delivering industry leading software solutions for clients worldwide since 2003.

Background:

Northern Tool + Equipment is one of the largest tool and equipment retailers in the US with more than 85 stores in 18 states. Northern Tool prides itself on offering a large selection of equipment such as generators, pressure washers, air compressors and much more to large companies, small shops and do-it-yourselfers in the US and around the world. A family-owned business, Northern Tool is committed to delivering quality products at affordable prices through its stores, website and catalogs.

Challenge:

In recent years as Northern Tool expanded its supply network grew and became more international. The increasingly complex network made it more difficult for Northern Tool to obtain detailed information about shipments along various stages of the supply chain.

This lack of supply chain visibility added costs and created uncertainties about when products would ship and arrive at domestic warehouses – hindering Northern Tool's ability to efficiently plan and coordinate logistics efforts.

"We'd get information about what was going to show up at our warehouse too late to do anything about it," says Tim Thoma, international logistics and compliance manager at Northern Tool. Thoma says Northern Tool's teams often had to off-load containers at distribution centers and then transfer them to an off-site warehouse vs. being able to anticipate better and route freight off-site in advance.

Northern Tool turned to Navegate to help create better supply chain visibility with the goal of improving on-time deliveries and making better logistics and purchasing decisions.

Navegate's customizable, proprietary software has helped Northern Tool move freight more efficiently and reduced logistics costs.

Solution:

The first step for the Navegate team was to conduct collaborative sessions with Northern Tool's entire supply chain team – from purchasing, customer service, IT, logistics and warehousing. Once all Northern Tool's needs were understood, the Navegate integration team worked to get information flowing from Northern Tool's ERP system into Navegate's software solution.

This proprietary, cloud-based system – built by Navegate to interface with all kinds of ERP systems – then took the ERP data and, essentially, translated it into a common language that could easily be shared and accessed by all Northern Tool teams and suppliers.

With the data flowing, Navegate helped create a new process for all of Northern Tool's suppliers and logistics partners. The new method – which was stood up in a matter of months – allowed Northern Tool to access and share more real-time data and gain critical information on product readiness and consolidation options.

Another key component for Northern Tool was Navegate's ability to use the software to create customized views of data for various units within Northern Tool. This customization gave Northern Tool units such as purchasing and warehouses easy access to data that matters most to them – improving operations and efficiencies.

"Navegate's system is really user-friendly," says Northern Tool's Thoma. "While I look at everything, our DCs want to see what containers arrived and when. Inventory planning wants to see purchase order items and know when they've arrived. Accounting wants to see what's on the water and what's in transit. The system allows for customized views for every user and gives us a lot of flexibility."

Results:

Since implementing Navegate software, Northern Tool has improved its on-time deliveries and created tremendous efficiencies for logistics planning and purchasing. In the first year alone, Northern Tool saved more than 5% on its international logistics spending.

Some of the cost savings came from the ability to consolidate freight into full, 40-foot shipping containers. Thanks to better supply chain visibility, Northern Tool now ships more than 80% of its international cargo in 40-foot containers vs. 20-foot containers – a far more cost-effective approach. Also, today nearly all of Northern Tool's international freight now ships in full-container loads, which ensures more direct shipping and reduces excess handling that can lead to damaged items and delays.

In addition to these efficiencies, Navegate has helped Northern Tool with compliance efforts. Custom audits and reviews – which can often cause international shippers both delays and additional costs – have become more easily satisfied due to Navegate's system that makes shipping data easier to store and retrieve. Navegate also has allowed Northern Tool to better evaluate vendors. Data from Navegate's system is used to track and assess on-time performance and response times, and that history can more easily weighed by Northern Tool and used when choosing between manufacturers and logistics partners.

"...Navegate lets you peel away the onion to look at things like customs compliance, vendor performance and shipping times. The ability to see out a little further helps us dig in and make better decisions, and the benefits trickle through the whole supply chain."

Tim Thoma, Northern Tool International Logistics and Compliance Manager

"While the primary thing is getting orders delivered on time," says Thoma, "the data from Navegate lets you peel away the onion to look at things like customs compliance, vendor performance and shipping times. The ability to see out a little further helps us dig in and make better decisions, and the benefits trickle through the whole supply chain."

Northern Tool's enhanced supply chain visibility has improved on-time deliveries – which is critical for a seasonal business like retail – while also helping Northern Tool to cut costs, generate operational efficiencies and make better purchasing and logistics decisions. The business intelligence Navegate's system creates has become an integral part of how Northern Tool delivers for its customers.

For More Information:

To learn how Navegate and cloud-based software with logistics support can benefit your company, please contact us via email at contact@navegate.com, by telephone (U.S.) at 1-800-944-2471, or vist our website: www.navegate.com.

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