

CASE STUDY

Powerful Transportation Management Software for Green Circle Growers

One of North America's Largest Greenhouses Achieves Dramatic Cost Savings with 3Gtms

Business Challenges

For many companies, strong growth or expansion can be a double-edged sword if the organization isn't backed by the right supply chain technology to support that growth. Such was the case of Green Circle Growers, which was trying to meet its growing customer needs while manually managing the data for product transportation, as well as for its dedicated fleet and sister company, Fresh2U Transportation.

"We had decided to switch our ERP system and that's when I started driving the idea of switching from our routing and scheduling software to a more complete transportation management system," said Mark Underwood, director of logistics at Green Circle Growers and who also oversees Fresh2U. "Most of what we ship is multi-stop full truckload and we had to manually manage our transportation within the ERP system, which acted as a depository for our data. Since the rates were managed on a spreadsheet, we had very little control over what we were doing."

Solution

Underwood had no trouble convincing Green Circle leadership that a more robust transportation management system (TMS) was needed, but finding the right TMS to fit the company's needs was another matter. "I've been in the industry for 25 years so I know a lot of the typical names," he said. "PeopleNet connected me with 3Gtms, and I searched through a couple dozen TMS service providers before I settled on 3Gtms."

3Gtms' transportation management system uses sophisticated optimization algorithms and dynamically factors in constraints to determine and deliver the best plan that can be realistically executed. Intuitively designed for logistics planners rather than engineers, 3Gtms manages the full order-to-cash process in real time and within a single system.

With an eye toward the growth of Green Circle and Fresh2U, Underwood wanted a TMS that could deliver on its promises of optimization. Traditional transportation management systems – the architecture of which most TMS systems are still built on today – struggled with the complexity of optimization.



About Green Circle Growers

Green Circle Growers is one of the largest greenhouses in North America with more than 100 acres of indoor growing space. A family owned business for more than 50 years, it provides retailers across the U.S. with a continuously expanding portfolio of indoor plants such as seasonal crops, tropicals, foliage, and succulents.

There were simply too many factors to consider, and those factors frequently changed. As a result, companies found that employees could optimize better despite it being a manually intensive process. But the 3Gtms optimization engine is unlike anything else on the market; its optimization engine builds loads that can actually run while handling complex constraints and data changes such as appointments or carrier availability. 3Gtms shows users the effects of those changes on the routes and whether there are new routing options to consider. This saves customers significant amounts of time and money.

"I liked 3Gtms because optimization was a base part of the system, enabling it to consider all data, constraints and business rules in optimization and then deal with changes as they occur," he explained. "Lots of TMSs don't have a built-in optimization engine and so you have to bolt something on. I've never liked that approach."

It was also essential that the 3Gtms transportation management system evolve and enhance its offerings. "I liked the scope of 3G capabilities and the fact that it can grow as we grow the business," Underwood said. "I was also very intrigued when I learned that 3Gtms does a few major releases every year. It shows they're working to constantly update the system and make it better for the users. Prior to Green Circle, I worked for a company for nine years and I don't think that TMS was upgraded once."

Results & Outcomes

Since implementation, Green Circle has seen fast and significant improvements to its logistics operations.

Optimization

Optimization is essential for Green Circle, and 3Gtms's unique optimization engine proved its claims. Underwood explained, "We ship mostly multi-stop full truckload with our own trucks and outside carriers. Last year we did about 7,200 multi-stop full truckloads, which is about 20,000 stops. So being able to have a tool to help us manage those multi-stops and build multi-stop FTLs has been a huge help for us."

Green Circle saw a "dramatic" increase in trailer utilization after implementing 3Gtms. "In FY 2018 we averaged 76.4 percent utilization and by the end of FY 2019 we were at about 80 percent utilization," remarked Underwood. That increase of about 4.4 percent is about \$600,000 in freight cost reduction just by increasing trailer utilization."

Managing constraints

As a provider of indoor plants, Green Circle's deliveries are constrained by certain days and times of the week. 3Gtms builds loads that realistically run while taking into account all of the real-world constraints and limitations that have been loaded into the system. "With 3Gtms, we can build in constraints based on customer delivery requirements," said Underwood. "Because the system takes those constraints into consideration, it really cuts the amount of rework we have to do with a load after we build it and it drives savings. If loads have to be reworked, your costs go up. Our customers make a lot of changes to orders at the last minute, but 3Gtms allows us to make those changes and account for them."

In addition, 3Gtms has enabled faster and clearer communications with customers. "We often deliver young plants to customers that are also growers," said Underwood. "It's critical for them to know when to expect their deliveries because they plan their production staff around receiving them. 3Gtms has allowed us to capture and transmit that information in a more accurate and timely manner than ever before."

Reporting and analysis

Because the Green Circle team relied on spreadsheets before 3Gtms, it was difficult to do any analysis of freight information or confidently make good carrier selections. "That process has vastly improved with the 3Gtms solution and has generated about \$815,000 in cost savings for us," said Underwood.

3Gtms also enables Underwood and his team to analyze data faster than ever before, as well as gain new insights. "We can analyze things we've never looked at in the past," he said. "It's been better for goal setting for the team, and we can make better decisions as a company when it comes to transportation and logistics."

Emissions reductions

As an MPS-certified greenhouse, Green Circle has achieved an industry-recognized standard for sustainability. The company is also committed to being a good steward of the environment throughout its operations, which is supported by the optimization improvements that came with 3Gtms.

By improving how much product is put on trailers, Green Circle is using fewer trucks, less fuel, and producing fewer emissions – to the tune of 288 fewer loads and approximately \$520,000 in savings.

Going forward, Green Circle Growers plans to get ahead of future growth opportunities and prepare its technology infrastructure now, such as leveraging 3Gtms to support additional logistics services provided by the Fresh2U Transportation organization. The company is currently working on process flows and documenting those processes in order to adapt the 3Gtms transportation management system to its future LSP needs.

“The partnership with 3Gtms has been great,” said Underwood. “3Gtms has given us the flexibility to build out the system to serve our existing customers and we may add on in the future. Whatever our plans, the 3Gtms team has never said ‘We don’t know how to do that.’”

Customer Benefits:

- \$600,000 in freight cost savings with improved trailer optimization
- Significant time savings with automation
- Shipping 288 fewer loads with a cost savings of about \$520,000
- Approx. \$815,000 in cost savings from clearer freight data and smarter carrier selections



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