Article

How Aurora Organic Dairy Achieved Effective Supply Chain Automation

Aurora Organic Dairy (AOD) is a vertically-integrated producer of private label organic milk products. Like many other successful enterprises, AOD faces the challenges of rapidly changing consumer trends and evolving market conditions, prompting the organization to digitize logistics processes in order to boost efficiency, grow scalability and improve customer service. This is the story of how AOD embraced state-of-the-art technology to accommodate the challenges of transportation logistics, protecting its market-leadership and supporting the organization's expansion.

Why and How AOD Digitized its Logistics Function

Prior to implementing Transportation Management System (TMS) software, AOD had been manually entering data into its legacy ERP system and spreadsheets for tendering of freight to carriers via email. Reliant on manual, spreadsheet-driven processes for critical transportation management functions – like tendering, freight consolidation, pickup & delivery scheduling, shipment tracking and freight settlement/audit – AOD was eager to **increase efficiency, standardize processes and reduce the disproportionate amount of time and money spent planning and managing these critical, labor-intensive processes.**

It was 2015 when AOD's transportation and logistics process reached the effective limits of its ability to efficiently manage the volume of temperature-controlled truckload shipments moving out of its warehouses each week. AOD supply chain leadership, understanding the pressing need to modernize its approach to logistics processes, embarked on an initiative to deploy a TMS solution with **the objective of increasing visibility into supply chain performance and exerting greater control over transportation spend.**

"We were constrained in our ability to scale up as our business grew and became more complex" said Doug Walter, Aurora's Director of Supply Chain Management. From his office at AOD headquarters in Boulder, Colorado, Walter recounted the factors and dynamics that shaped his organization's search for the right transportation logistics automation solution.

"Once it was determined that the Transportation Management System (TMS) solution was the right type of solution for our needs, we reached quick consensus that process improvement should be the primary driver of our selection process" said Walter. He continued, "The primary objective for the project was to automate and standardize our processes so that they could be much more quickly and efficiently executed." Walter explained **the decision to implement UltraShipTMS to digitize AOD's transportation data and automate its processes yielded far greater visibility into rating, routing, tendering, consolidation and other carrier management functions** while at the same time delivering other benefits for faster supply chain function; EDI/telematics connectivity, automated freight settlement and invoice auditing.
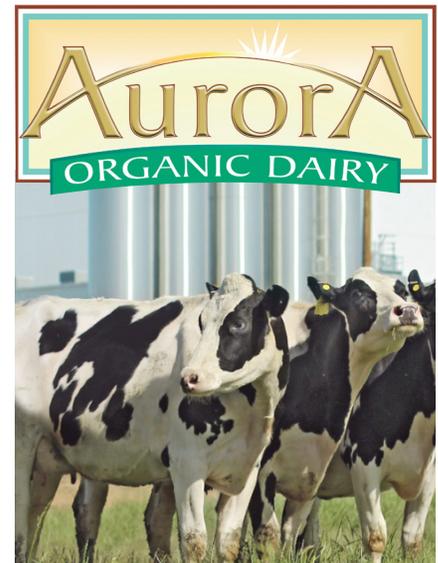
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"Expanding visibility into carrier rates in the system immediately improved our ability to make routing guide decisions based on accurate information regarding service types and costs," said Walter adding, *"Having all transportation-related data and metrics so easily accessible in UltraShipTMS helped us to make more accurate, effective decisions in transportation."*

Other integrations (with AOD's WMS and newly-enabled EDI telematics communications via UltraShipTMS) further supported fully digitized and automated logistics processes. "With these new systems deployed and operational," said Doug, "Aurora has become better equipped to accommodate our growth."

AOD's business had grown to between 250-300 truckload shipments per week just around the same time they were implementing their new UltraShipTMS and LoadFusion Optimizer solutions. Supply chain management leaders were concerned they'd need to add to headcount in the transportation department in order to support the growth in volume. However, the automation of logistics processes proved so effective that no additional headcount was required. In fact, AOD reports *the efficiencies delivered eased the workload for their existing team, enabling a greater ability to methodically plan and execute strategic practices, improving transportation performance* across the board.

This was a welcome development according to Walter as AOD considered plans to ramp up long-term growth plans including a proposed new plant construction.

Getting to Steady State

With so much to accomplish taking AOD from largely manual to mostly automated processes, Doug recalled the feelings of relief he experienced during the implementation period with UltraShipTMS.

"We were prepared for the pain you often hear organizations have experienced during the TMS implementation period" he said.

Complicating matters and adding to the apprehension within AOD transportation was the fact that the implementation period landed smack in the middle of a historically busy time. Yet, the concerns were allayed quickly as *UltraShipTMS implementation teams worked collaboratively with AOD stakeholders during the implementation period.*

Beyond the legacy ERP which had been in service for more than a dozen years, AOD's IT department had yet to address any integration projects with large-scale enterprise software. The deployment of UltraShipTMS was in many respects the AOD team's first contemporary platform implementation. Working closely with UltraShipTMS implementation managers and development teams, AOD was able to keep pace with the significant changes involved.

"UltraShip implementation managers really set the table for the project with *clear and well-conceived project management plans, best practices and protocols"* said Walter.

AOD stakeholders were very happy with what they characterized as a "short go-live and adoption period". While there is always bound to be some friction when implementing any new automation software and integrating with other critical systems (like ERP, EDI, WMS and others), *UltraShipTMS change management, testing, training and support practices helped AOD users quickly embrace the new platform.*

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The new solution also provided a spot bidding tool which was immediately and enthusiastically adopted by AOD users to gain access to scarce capacity. "With capacity frequently unavailable at contracted rates lately" says Walter, *"the spot tool in UltraShipTMS quickly became a favorite feature for tracking rates and minimizing costs shipping on the spot market."*

Next Steps

With their outbound logistics and transfer movements having achieved steady state operations and users comfortably enjoying the benefits of increased operational efficiency, Aurora Organic Dairy is now looking forward to the next phase of its automation initiative. First up, AOD is significantly advancing its ability to increase logistics velocity deploying UltraShipTMS's powerful Advanced Scheduling Module for superior dock scheduling DC throughput. After that, AOD plans to deploy UltraShipTMS to manage inbound logistics, bringing raw milk shipments into production facilities from farms/producers in disparate locations.

Walter notes that AOD is not content to rest at the boundaries of transportation logistics in the pursuit of full supply chain digitization.

"Between the new plant expansion and planned product line expansion we're spring boarding off the success we've had through partnership with UltraShipTMS" he said. "The project planning and change management leadership delivered by UltraShipTMS implementation and support teams was so effective it helped us grow confident in our ability to succeed in the next big step in our digitization initiative, selecting and integrating a modern ERP solution with our UltraShipTMS platform."

As a vertically integrated producer of private label organic milk, the company's digitized supply chain is now ready to support product innovation and expansion into new markets. The automation and data-driven decision making delivered by these new technologies is a critical success factor in AOD's pursuit of new markets and the maintenance of their industry-leading competitive advantage.

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UltraShipTMS is a respected provider of supply chain management technologies, services and consultation, helping Fortune 1000 organizations optimize and transform their transportation networks from opaque and rigid cost centers to strategic and responsive value drivers. UltraShipTMS provides a single-source solution for optimization, transportation and settlement for in- and out-bound shipping across all modes of transport. Delivered in the flexible, affordable Software-as-a-Service (SaaS) model, the UltraShipTMS suite offers proven tools for reengineering supply chain processes while unlocking complete transportation network visibility, improved collaboration and accountability. Built and supported by the same team of transportation industry veterans and software developers, UltraShipTMS is an emerging leader in the supply chain management industry.

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