



Streamlining Transportation Management

Global chemicals manufacturer implements a transportation management solution that improves visibility, provides access to valuable data, and offers tight controls on transportation costs

The Kao logo consists of the word "kao" in a bold, green, lowercase sans-serif font.

Enriching lives, in harmony with nature.

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Two years ago, Kao Specialties America, LLC (KSA), of High Point, N.C., relied on a transportation and freight management approach that had little structure and limited data transparency. “We had very little control over the process and virtually no data to work with,” said Mark Thomas, Director, Supply Chain Management. Brought on board to manage the chemical product manufacturer’s new supply chain division, Thomas immediately went in search of a technology solution that could effectively manage the growing firm’s transportation component while also controlling costs.

At the time, part of KSA’s business, which included some logistics functions, was being run by a remote satellite office and management decided to consolidate that activity at the firm’s headquarters in High Point, N.C. The move posed numerous challenges for KSA, which was receiving good service from the trucking firms, but couldn’t collect and consolidate business data (costs, on time delivery, freight metrics). Additionally, KSA’s customer service group was scheduling the work, coordinating all trucking interfaces, and managing issues as they arose. “We were managing our freight,” Thomas recalled, “but we were not in control of it.”

“I was looking for a technology partner to help us manage bulk tank trucks,” Thomas explained, noting that this segment of his business requires expertise and special handling. After exploring several options available on the market, KSA decided to implement Odyssey Logistics & Technology’s Web Integrated Network (WIN) transportation management platform. “We picked Odyssey due to the fact that it was the industry leader in bulk,” said Thomas.

Raising the Transportation Management Bar

A member of the Kao Group, KSA is a specialty chemicals manufacturing company with three major business segments: Oleo Chemicals, Performance Chemicals, and Specialty Chemicals (including Imaging Materials and Aroma Chemicals). Located on a 60-acre facility, KSA supports Yoki-Monozukuri, the commitment of the Kao Group to manufacture and market quality products.

The new relationship with Odyssey has improved KSA's supply chain operations in several ways. On the bulk tank truck side, for example, Odyssey can arrange 20 loads to pick up over a 5-day period – an undertaking that KSA had struggled with in the past. “We had a hard time getting the resources together to do that,” said Thomas, “but Odyssey has the critical mass in the tank truck business and can get the resources needed to cover all of those loads.”

And, if there is a change in the schedule for those 20 assigned loads, Odyssey takes care of it. “We don't have to be constantly micromanaging the situation,” Thomas said.

Identifying outliers, accessorials, and plant-related truck holds has become much easier for Thomas, whose team can quickly identify issues and take corrective actions based on the data it gets from the WIN system. Finally, the chemical manufacturer has been able to keep transportation price increases at bay. “Odyssey has buying power and, as such, is a better freight market negotiator than we are as a single company,” said Thomas. “We're not seeing prices increase as much through our Odyssey contracts versus others.”

Reaping the Rewards of its Investment

Thanks to Odyssey, KSA's customer service team no longer manages the company's trucker interface. Once a load is tendered to WIN, the solution takes over and handles the transportation management from end to end. “We have one point of contact; once the load is handed off, it's out of our hands and taken care of by Odyssey,” said Thomas.

WIN has taken much of the pressure off KSA's 3-person customer service team and provides cost transparency that the company previously lacked. “Through this Odyssey tool, I can see the toll, stop-off, pre-load, hose, pump, and other charges generated in WIN,” said Thomas. “In the past, those charges (mostly ancillary in nature) were difficult to capture and track.”

KSA has also benefitted from Odyssey's deep market knowledge – a point that Thomas emphasizes when discussing the value that the vendor brings to the table. “I can approach my contact at Odyssey for both industry knowledge and expertise,” said Thomas, “and then turn around and explain things to my own management team.”

Thomas added that Odyssey's leadership role as a logistics partner is to manage the interface between KSA and its trucking companies. “They do the work to hunt for carriers, and also work with the carriers. When there is an issue,” said Thomas, “Odyssey takes care of it.”

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