



# Transite

## ***Olympia Chimney Sends Excess Freight Charges up in Smoke with Transite Technology's My Freight Portal***



**OLYMPIA**  
CHIMNEY SUPPLY Inc.

**Industry: Chimney products**

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### **Challenge:**

- Automate shipping for 30,000 shipments per year
- Find least cost shipment method every time
- Properly account for fuel charges
- Automatically audit freight bills

### **Solution:**

*My Freight Portal*  
**from Transite Technology, Inc.**

### **Benefits:**

- Replaces manual estimating with automatic display of three least-cost shipping options
- Increases customer service by allowing choice of 1-, 2- or 3-day delivery
- Reduces freight spend by an estimated 10 percent
- Automatically audits freight bills for exceptions
- Automatically provides pickup notification to carriers
- Reduces personnel time by automating processes



*"We're now offering 1, 2 and 3 day shipping and we're giving the customer better service. We can provide the cost of shipping and carrier selection right at the order call."*

*Scott Brickel, C.F.O.  
Olympia Chimney  
Supply Inc.*

Imagine taking an order over the phone and then checking up to ten transportation agreements, ZIP code ratings and fuel surcharge charts to find what you think is the lowest shipping cost. This was the shipping estimation process Olympia Chimney Supply Inc. ("Olympia") employed.

Olympia sells chimney liners and components throughout the United States. The company is known for its high quality, excellent customer service and its no-nonsense shipping policy.

Olympia is in a competitive business where the price of commodities affects margins, and where shipping costs can make a big difference to the profit on a sale. Shipping is especially important given the impact of record high fuel costs.

The cost of Olympia's tens of thousands of yearly shipments runs in the millions. The company ships about 30 percent of its orders with free shipping. The third highest cost for Olympia is freight, after materials and salaries. Olympia had been hand-pricing shipping using estimates of carriers to known destinations and tabulating costs from published ratings charts. This manual process was time-consuming and highly imprecise.

Olympia's C.F.O., Scott Brickel, recognized that company profitability was at risk in the face of rapidly rising and unpredictable shipping costs. Without controls, Olympia lacked the visibility it needed to confidently price shipping while still maintaining its competitive advantage.

### **Cost Reductions and Process Improvements**

Damon Hamilton, Olympia's Logistics Manager, looked into methods to provide low-cost shipping and automated procedures. The company considered using third party logistics companies but wanted to maintain existing relationships with national and regional trucking companies that may not be under third party logistics company agreements.

**My Freight Portal** from Transite Technology Inc., was selected to accomplish multiple goals: First, to deliver the greatest degree of direct savings in Olympia's freight spend while maintaining their traditional high level of customer service; and second, to implement critical business process improvements to keep pace with the company's growth in order to maintain the savings. **My Freight Portal** accomplished both goals and more. It provides the ability to select least-cost shipping options on every order, ensure the correct service level, provide financial reporting, and audit the freight bills.

**My Freight Portal** holds all of Olympia's carrier agreements and checks up-to-the minute costs whenever a customer service representative (CSR) looks for shipping options. The **My Freight Portal** software is a hosted solution model, meaning Olympia is not responsible for maintaining the software – it's updated automatically.

*"My Freight Portal pays for itself through cost savings"* Brickel said. *"With fuel surcharges going insane, we don't have to guess. The costing is done automatically. We no longer worry about being off on costs by a day or two and no longer have to dedicate a person to monitoring systems and prices. We're almost real-time with our freight costs."*

*"Some of our reps are really familiar with certain carriers and thought they knew who was providing the best rates. We've discovered that often wasn't true."*

Now, when a CSR takes an order, the shipment can be made according to the customer's request. "We're now offering 1, 2 and 3 day shipping and we're giving the customer better service," Brickel added. "We can provide the cost of shipping and carrier selection right at the order call." **My Freight Portal** automatically notifies the carrier when a shipment is ready for pickup.

Olympia trains CSRs to use the system in just a few minutes. At order, CSRs are provided only the top three options that meet the shipping parameters. Brickel said there have been some surprises discovering who ships where for what cost. "Some of our reps. are really familiar with certain carriers and thought they knew who was providing the best rates. We've discovered that often wasn't true."

Carriers were made aware of the new system as well, and when word spread that only the three least-cost selections would be presented, some found ways to adjust their rates to become more competitive, generating even more savings.

Brickel likes the integration of the system with the company's Macola ERP and accounting system. "Ultimately, our logistics people will simply type in the order number and the bill of lading will be created automatically and sent to the carrier electronically," he said.

Auditing is much less daunting as well. **My Freight Portal**'s audit features automatically pull the exceptions, identifying billing errors and saving personnel hours in both the logistics and accounting departments.

"Even though our freight costs are going up dramatically, I'm forecasting that shipping costs as a percent of sales will remain the same as last year," Brickel said. "With freight being such a tremendous expense, I think we're going to see huge savings from **My Freight Portal**."



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Transite Technology, Inc.

1008 Bullard Court, Suite 200

Raleigh, NC 27615

Phone: +1 919-862-1900  
Toll Free: +1 800-810-9888  
Fax: +1 919-862-1902  
E-mail: info@transite.com

Sales  
Phone: +1 919-862-1900, option 2  
E-mail: sales@transite.com