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Kimberly-Clark's Digital Transformation of Shipping



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By Steve Banker

Earlier this summer, FourKites held a Carrier Visibility Summit. This was an online event. One of the speakers was Abby Weisenberger, a distribution consultant at Kimberly-Clark. What made Ms. Weisenberger's presentation particularly interesting was that while Ms. Weisenberger is leading their digitally enabled shipping initiative, she works in distribution operations rather than transportation. FourKites is a leading provider of real-time transportation visibility solutions. Not surprisingly, many of FourKites' users work in transportation operations.

Kimberly-Clark is public consumer goods company that generated over \$19 billion in revenues last year. The company's billion-dollar brands include Huggies disposable diapers, Cottonelle and Scott toilet paper; Kleenex facial tissue; and Kotex feminine hygiene products.

This consumer goods behemoth has driven ongoing supply chain productivity through their FORCE (Focused On Reducing Costs Everywhere) program. This program has generated savings of \$3.5 billion over the last 10 years. What Kimberly-Clark (K-C) is doing in the supply chain realm is worth paying attention to.

Digitally Enabling Hot Loads

"Kimberly-Clark knows that making your processes visible is a major step toward improving efficiency," Ms. Weisenberger said. "K-C needed one solution ... to understand where loads are all across the organization" based on "one source of truth." This is one of the company's first steps to their digital transformation in shipping.

Historically, distribution at K-C relied on other departments to give them information. Managing processes like trailer pool and detention, how long their carrier's drivers were on site, and tracking hot loads, required information from systems outside distribution as well as pulling together paper forms filled in by clerks or drivers.

With their transportation visibility solution they were able to see a scorecard that let them proactively see what inventory on a shipment was at risk of arriving late. With the visibility solution, the company is able to develop a plan for warehouse labor that insures when a load comes in, that workers are ready to unload the truck, or when an outbound truck is scheduled at a dock, the pallets are staged and ready to be loaded.

"Hot loads" allow companies to run a lean supply chain while still meeting customers' service expectations. Hot loads can also reduce on-time-in-full fines used by major retailers to make sure they get what they ordered when it was promised.

A hot load occurs when an outbound truck heading to a customer's site is held at a shipper's distribution center because some of the inventory on the arriving truck is needed by the

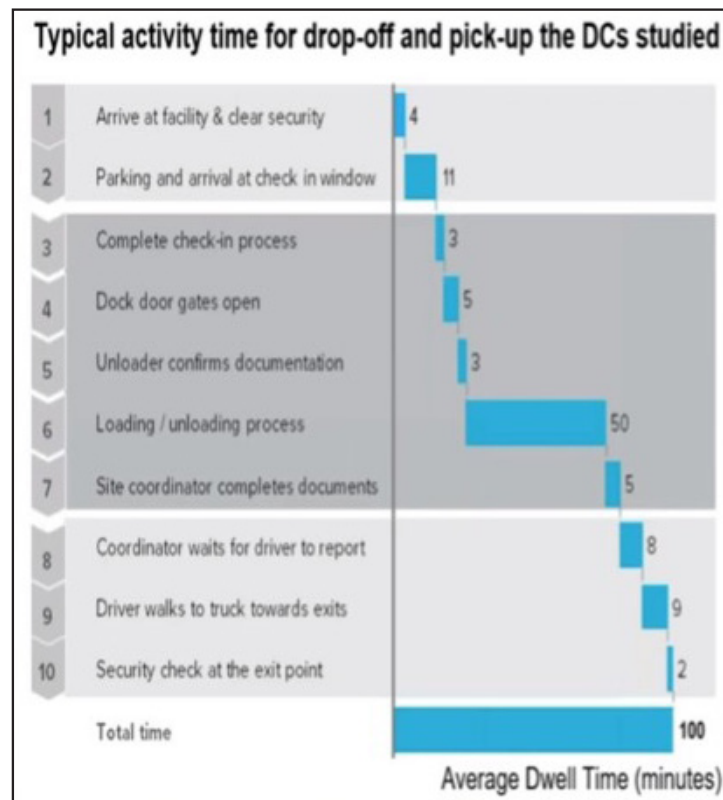
customer. Once the inbound shipment arrives, inventory is unloaded, and the “hot” inventory is moved to a shipping dock and loaded on the outbound truck. At K-C, hot loads used to be a labor-intensive process that involved multiple emails.

Being able to efficiently engage in hot loads requires an accurate time of arrival, visibility to the inventory on the truck, and process efficiencies. Now planners can just pull up transportation visibility solution and know when the load will really arrive. They have visibility to a shipment 30 minutes before it arrives. This knowledge can be used to expedite gate check-in and dock assignment for the load. “It really streamlines the process,” Ms. Weisenberger explained.

A Digital Transformation Requires More than Visibility

A digital transformation requires more than visibility. It requires new, more efficient ways of working based on technology. In the past many of Kimberly-Clark’s supply chain efficiency programs ended at the dock door.

The transportation visibility solution is enabling them to go beyond the dock door. They are implementing Dynamic Yard to have a better understanding of their trailer inventory and know the age of that inventory. This will lead to a better process for assigning trailers during shipment planning. This used to be a paper-based process. Now special instructions for drivers, for example on where to drop empty trailers, can be digitally generated ahead of time. Now the gate, yard and facility data needed for better shipment planning flows much more smoothly.



The figure above shows what FourKites has determined to be the typical driver process at a distribution site with typical dwell times.

At Kimberly-Clark, Ms. Weisenberger said the project team looked at some of the documentation steps and asked ‘why?’ Why couldn’t a driver just scan in at the gate? Why does a driver have to get out of the truck and go into the shipping office and sign a shipping document?

If all the information were entered correctly ahead of time, if a scan-in alerted the facility the truck had arrived, if K-C has used the digital technology to give drivers instructions on where to drop a load ahead of arrival, there is no reason drivers could not just scan through the gate.

Similarly, if drivers are permitted to put signatures on e-documents ahead of time, there is no reason to visit the shipping clerk. Drivers would save time except in exception situations.

From a process simplification perspective, Weisenberger explains, “It is not just ‘where is the truck?’” But, also, where is the information that needs to flow with the truck.

This process simplification also depends on carrier and driver collaboration. Kimberly-Clark’ partners need to enter the information necessary ahead of time. However, this is a true win-win. By entering the information, the trucks remain in motion and generating revenue.

Kimberly-Clark has not implemented these new more efficient documentation processes, but they are working toward this.

Final Thoughts

Using real-time shipment visibility to improve distribution processes is ahead of the curve. More common, these solutions are used to improve transportation processes.

During the same forum, a FourKites director of product management, Courtland Halbrook, asked the question: “How do we unlock the full 660 mins a driver has available to drive?” In the present trucking environment, where securing loads is increasingly difficult. Being a shipper of choice, someone carriers want to do business with, is increasingly important. One way a shipper can be friendly to do business with is to help ensure that a carrier’s trucks are more fully utilized.

Further, carriers talk of a driver shortage. Drivers also like to be on the road making money rather than sitting in a driver ready room.

The project Kimberly-Clark is engaged in does both: it improves warehousing and transportation.