

Blue Yonder Drives Transportation Optimization at Kimberly-Clark

Result

- Over \$14 million in initial cost savings

- Real-time visibility across the network

- Dynamic responsiveness to changing conditions

A 17-year partnership that's still delivering transformational value

“We first implemented Blue Yonder’s transportation management platform in 2006. The logistics landscape has changed significantly since then, but Blue Yonder’s capabilities have evolved along with it. Today we’re undertaking a digital transformation, supported by a move to the cloud, that’s setting the stage for automation and exception-based management across our global transportation network. Working in partnership with Blue Yonder, I’m confident we’ll get there.”

— **Transportation Manager**

With annual sales of \$20.2 billion and a 150-year track record of success, Kimberly-Clark is a global consumer packaged goods (CPG) leader. Its well-known brands — including Cottonelle, Depend, Huggies and Kleenex — are an indispensable part of life for people in more than 175 countries. Kimberly-Clark holds the #1 or #2 share position in 80 countries.

Business Challenge

Kimberly-Clark’s global transportation network is large and complex. In North America (NA), the company operates eight regional distribution centers (DCs) and 22 combined DC/mill locations, while also managing shipping from over 500 vendor locations. Each year, this CPG leader manages over 600,000 shipments in NA, and its material and products travel more than 318 million miles. The average outbound trip length to customers is 399 miles, and the average inbound trip spans 891 miles. Kimberly-Clark utilizes over 90 carriers to manage its domestic and international volume. In Latin America (LAO), Kimberly-Clark plans for 13 countries and more than 30 DC/mill locations, with over 245,000 trips per year executed by more than 160 carriers. The average trip length in LAO is 438 kilometers. The company’s transportation management team is charged with optimizing this network — as well as smaller operations in Asia Pacific (APAC) and Europe (EMEA) — to deliver products quickly, reliably and accurately despite ongoing disruptions and volatility.

The Blue Yonder solution

Since 2006, Blue Yonder has been fueling transportation optimization for Kimberly-Clark, beginning in North America and then rolling out to LAO, APAC and EMEA. A suite of transportation management solutions helps the company make and keep its customer promises, balancing costs with service targets. Over time, Kimberly-Clark has added new capabilities, including a freight auction module and carrier sequential tendering. Recently Kimberly-Clark migrated its Blue Yonder solutions to the cloud, supporting a larger digital transformation.

Significant cost reductions thanks to automated decision making

“Blue Yonder transportation management immediately began generating up to \$14 million a year in freight cost reductions in North America compared to our previous manual methods. We were able to make better decisions via automation, while also eliminating days of manual effort. Those savings and efficiencies have continued to grow. Based on the success of Blue Yonder transportation management in NA, Kimberly-Clark rolled out the solution to LAO, APAC and EMEA in 2012. With the recent migration to the cloud, we’re implementing Transportation Smartbench to continue to gain efficiencies. Blue Yonder is also helping us improve our export process and reduce costs via a new booking process.”

Dynamic optimization reflects changing market conditions

“Our freight management and procurement practices are very different in a constrained market versus a soft market. We also need to adapt to cold and flu season, which is a peak demand time. Blue Yonder enables us to dynamically change our approach as conditions change, so we’re always getting an optimal balance of cost and service. We can define constraints, negotiate rates in real time, and choose the right carrier every time, with confidence.”

A foundation for “no touch” transportation management

“Our migration to the cloud is the first step in a digital transformation that will eventually create a ‘no touch,’ automated decision-making environment. All our systems will be connected, data will flow seamlessly among them, and we’ll manage by exception. It’s an ambitious vision, but Blue Yonder is helping to make it a reality.”

Solution benefits

- Kimberly-Clark relies on Blue Yonder’s transportation management platform to quantify savings and opportunities, balance service-level and cost tradeoffs, and prioritize execution across its worldwide logistics network.
- With real-time visibility enabled by Blue Yonder, Kimberly-Clark can sense disruptions and changing market conditions — and modify its transportation management practices to respond proactively, not reactively.
- Blue Yonder recently helped Kimberly-Clark migrate its solutions suite to the cloud for faster processing speeds, seamless upgrades and lower on-premise technology investments.

Blue Yonder’s expertise

“We initially chose to partner with Blue Yonder because we knew its solutions were best-in-class. We saw the potential for millions of dollars in freight savings, and we quickly captured them. In fact, we earned a full payback on our investment in less than a year. Today Blue Yonder’s solutions remain best-in-class, but we also value our strategic relationship with them. We work together to define solutions in an open, honest way. It’s been great to partner with Blue Yonder. They’re always there when we need them.”

— Transportation Manager