



United Pipe & Steel Corp. Leverages Omnitracs Solutions to Streamline Routing and Achieve Cost Savings

In 1980, David Cohen started United Pipe & Steel Corp. with just \$5,000. Today, it's the largest master distributor of pipe and tube products in the United States and has expanded from a single distribution center in the Northeast to 12 distribution centers across the country. All segments of the industry can be served with United Pipe's massive selection of steel, copper, and plastic pipe products.

Headquartered in Ipswich, Massachusetts, the company's motto of "United with our customers, united with our employees, united with our vendors," is evident with every move they make. They service the entire U.S., advising their customers on the ever-changing commodities market, and staying in touch to ensure timely, scheduled deliveries.

Manual Routing Leads to Chaos

While United Pipe had experienced phenomenal growth by going from a business initially based in Cohen's garage to a 250-million-dollar company over 30 years, he knew something had to change for this level of success to continue. He decided to bring on an equity partner to help him grow the business.

The initial focus centered on United Pipe's paper-based routing system. Prior to implementing Omnitracs' routing solution, United Pipe's distribution center (DC) managers were handling their routing needs manually. Every manager spent up to two hours each morning on the process. Paperwork would be scattered all over the managers' desks, where they would route each individual order after manually loading their delivery trucks and ensuring they would make legal weight. Each DC manager (who was, in many cases, an ex-driver) relied on their personal knowledge regarding how long each specific customer took to offload.

Routing, Mobile Dispatching, and Compliance Technology Streamlines Operations and Boosts Profits

CHALLENGES

- Manual routing relied on paper forms and "tribal knowledge"
- Distribution center manager turnover resulted in loss of that tribal knowledge and chaos for six months
- Current routing cost the company in fuel and efficiency

GOALS

- Reduce time spent on manual processes
- Capture tribal knowledge for routing
- Speed routing and optimize loads
- Comply with the ELD Mandate

SOLUTION

Omnitracs' routing, mobile dispatching, and compliance solution combines cost-efficient routing, real-time tracking, proactive customer notifications, HOS, DVIR, and IFTA compliance, and powerful analysis tools to ensure that you are compliant and running the best routes for every delivery.

BENEFITS

- Gain clear insight into fleet operations
- Leverage optimal route efficiency
- Strengthen customer loyalty
- Assess transportation costs for greater savings through data
- Stay compliant with Hours of Service, DVIR, and IFTA reporting

RESULTS

- Decreased average cost per mile, for a cost savings of \$2 million
- Eliminated paper-based routing and provided the ability to load trucks based on product compatibility
- Enhanced customer experience with real-time delivery tracking
- Gained ability to track key performance indicators (KPIs) and incentivize drivers and managers
- Gained access to real-time fleet data to spur growth from a 250-million-dollar company to a 300-million-dollar company
- Combined routing and dispatching with compliance all through a single, streamlined solution

Manual Routing Leads to Chaos, continued

While this tribal knowledge was vital, every time a DC manager left United Pipe, the company experienced major headaches. "It was chaos," said Jon Renko, United Pipe's Vice President of Operations. "We struggled for six months after the departure of a manager to regain any semblance of stability."

The company knew it needed a better solution.

"First and foremost, we realized that the institutionalization of that tribal knowledge was important," Renko said. "We needed a way to share that information even if we changed managers."

However, finding a way to capture that knowledge and make it available to the entire organization was not United Pipe's only need. At the time, United Pipe's routing process was fairly simple: a truck would begin by going to the farthest point away from the distribution center, and then make other deliveries on its way back.

"The idea was that if the driver timed out, then he'd be close to the DC," Renko said, "and that manager could go out with another driver, pick him up, bring the truck back, and bring the driver home."

The problem was that each of United Pipe's trucks was traveling the greatest distance with the greatest weight to make the first delivery, costing the company in fuel as well as wear and tear on the fleet. United Pipe decided to look for a solution that would allow it to cut down on the time-intensive, manual process while speeding up the actual routing of the trucks and optimizing the loads.

An Exhaustive Search Leads to a Clear Winner

The company took its search for a solution seriously, understanding the key role it would play in ensuring their success in the future.

"We seriously looked at 12 [solutions] after taking a cursory look at 35 to 40 different solutions," Renko said.

That's when the company discovered Omnitracs' routing and mobile dispatching solution. Working in partnership with the Omnitracs team, United Pipe launched the solution in their 12 distribution centers over a period of just five months.

Improving Ease for Drivers and Building Strong Relationships with Customers

United Pipe's motto of standing united with their customers has been a point of pride for the company's drivers. Thanks to their customer-first philosophy, the company had built strong, long-term relationships with its customers, giving them valuable preferential treatment when it came to the order of offloading.

The Omnitracs solution allowed United Pipe to further strengthen their already strong relationships while also making their drivers' lives easier. Using the Omnitracs solution, United Pipe can track its drivers so they can determine precisely where they are on their routes.

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With Omnitracs' mobile notification solution, the company can also provide automatic alerts to its customers when routes are generated, giving them immediate notice of scheduled delivery times.

This is a far different situation than what United Pipe experienced prior to Omnitracs when a customer would call wondering where their delivery was. Back then, a series of calls would have to be made — from a sales person to a DC manager, DC manager to a driver, and then wait for the driver to call back. Only then would the customer be told when they could expect the truck to arrive. "It could be an hour before we could give them an updated time for delivery. Now it's literally instantaneous," said Renko.

With Omnitracs, United Pipe no longer experiences that lag in communication or high volume of inbound calls, and its sales people can go directly to the software to find out where the customer's specific truck is on its delivery route.

With many customers in a commodities distribution market, United Pipe differentiates itself through superior customer service and technology. Using Omnitracs' mobile notifications solution, United Pipe can deliver a better customer experience.

Improved Order Routing While Mixing and Matching Products

United Pipe also had some very specific needs regarding order routing. With three types of products (steel, copper, and plastic pipe), building loads required that the different weight tolerances of the products be taken into consideration. As an example, steel pipe can't be positioned on top of plastic pipe or copper on a flat bed, as it will crush and damage the product.

Omnitracs simplified the process of product compatibility by providing the flexibility to flip orders when United Pipe runs into cases where there could be an issue. It also develops a route that won't risk damage due to a product mix. Additionally, United Pipe loads trucks based on offloading requirements, and Omnitracs has helped with loading rules such as removing product from certain sides of the truck.

Enhanced Management

United Pipe realized an unexpected benefit from its application of Omnitracs' routing solution — enhanced management.

Prior to Omnitracs, said Renko, "We never knew what exactly went on with the drivers. We knew they left in the morning and would come back in the evening. We had no traceability."

Now, United Pipe can set key performance indicators (KPIs) then measure each of the 12 locations. The company now has a bird's-eye view of the entire network while in operation.

The company is also able to dig deeper and understand what each driver's unique strengths and weaknesses are, as well as reward drivers based on performance.

Omnitracs' all-in-one routing, dispatching, and business intelligence also gives the company insight into gains year over year, so it can incentivize managers. Renko calls it "a great management tool."

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Improved Flexibility, Accuracy, and Capture of Tribal Knowledge

The tribal knowledge United Pipe needs to institutionalize efficiencies is now captured by Omnitracs and continues to prevent the chaos that was previously associated with manager turnover.

The company initially launched Omnitracs' routing solution with a 30-minute service window. Then, with the feedback from drivers, managers were able to adjust each individual customer location to reflect the actual time required for offloading.

"We thought that was very important, as it allowed us to be flexible to deal with changing order types and weights," Renko said.

Adjusting service times to be more accurate was critical for United Pipe so that planned routes could perform as expected. Otherwise, the total route time would be incorrect and the mobile notifications would not be able to alert customers with accurate ETAs. Accurate service times prevent drivers from being on the road longer than permitted and keep customers happy with realistic delivery estimates.

Compliance from a Single Source

When the electronic logging device (ELD) Mandate was announced, United Pipe knew they needed to equip most of the vehicles in their fleet with compliant devices. They turned to Omnitracs for a solution that could not only give access to Hours of Service (HOS) through the same system as their routing and dispatching, but also give seamless access to other applications, including IFTA reporting and DVIR.

United Pipe now has a single system of record for all of their delivery planning and ELD compliance data, one source of the truth, and single sign-on for both drivers and back-office users. Drivers stay compliant with the ELD Mandate and can easily perform IFTA reporting and DVIR tasks. Any time a driver is in short haul mode, the integrated system automatically flips to keep a record of duty status. Routers can also now plan routes and view driver hours within the same system.

Maximized Insight into Fleet Operations Yields Significant Cost Savings

Finally, Omnitracs provided United Pipe with clear insight into their fleet operations, which had been unavailable to them due to their previous manual processes. Using Omnitracs' business intelligence tool, the company can transform large amounts of fleet data into actionable reports and KPIs.

"In the past, our fleet operations were really kind of a black hole where we knew the trucks would go out every day," Renko said. "We knew the product would get delivered, but we had no idea what was going on throughout the day with those drivers."

Now, with a glance at a single computer screen, Renko has access to the company's average run time month-to-date and year-to-date, total pounds delivered, total miles driven by its fleet, average cost per mile, and the average cost per stop. Before, said Renko, the data "co-mingled in our ERP system with direct deliveries from third-party carriers from our vendors directly to our customers, which is always difficult to extract from the data that we had."

The customized dashboards that are part of Omnitracs' business intelligence solution allow Renko to monitor the health of the distribution network at a quick glance. Then, he can drill down to root causes of problem areas and make operational changes.

Without it, United Pipe would not have seen how much of an opportunity they had to work on their cost per mile. Using Omnitracs, United Pipe brought its average cost per mile down from \$1.98 to \$1.49 — representing a cost savings of over \$2 million.

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Working with the Future in Mind

With Omnitracs as a trusted partner, United Pipe can automatically pull orders out of its ERP system, and they can load directly into the routing module. This gives their customers the ability to not only see that an order is scheduled, but to actually see the contents of the order.

With the success of the Omnitracs software implementation, the company is now re-examining the way that it has always done business in order to drive fleet efficiency and productivity. United Pipe has seen significant growth, going from a 250-million-dollar company to a 300-million-dollar company since the end of 2013, much of which the company attributes to its choice of the Omnitracs solution.

"Honestly, the savings that we've seen from Omnitracs supersedes any other project that has ever been done in the history of the company," Renko says.

Omnitracs Routing, Mobile Dispatching, and Compliance

Distributors face multiple challenges every day — high volumes of customer orders to organize, fluctuating fuel costs, drivers and vehicles to manage, changing road conditions, tight time windows, and government regulations. Omnitracs' routing, dispatching, and compliance software allows you to optimize routes and balance profitability with customer requirements while complying with Hours of Service, IFTA, and DVIR requirements.

About Omnitracs, LLC

Omnitracs, LLC is a global pioneer of trucking solutions for all business models. Omnitracs' more than 1,000 employees deliver software-as-a-service-based solutions to help more than 12,000 customers manage nearly 1,100,000 assets in more than 70 countries. The company pioneered the use of commercial vehicle telematics thirty years ago and serves today as a powerhouse of innovative, intuitive technologies. Omnitracs transforms the transportation industry through technology and insight, featuring best-in-class solutions for compliance, safety and security, productivity, telematics and tracking, transportation management (TMS), planning and delivery, data and analytics, and professional services.

For more information, visit www.omnitracs.com or call **800.348.7227**