

Case study

## The Bekins Company



At a glance

Industry: Transportation & Logistics

Applications: In-Transit Visibility, Proof of Delivery, Inventory Management

### Multi-radio mobile computers keep HomeDirectUSA shipments on track

If you shop online or from catalogs, chances are a truck has pulled up outside your door from HomeDirectUSA (HDUSA), a subsidiary company of The Bekins Company. As the home delivery provider for QVC, Neiman-Marcus, Staples, BestBuy.com, Costco, Walmart.com and many other leading merchants, HomeDirectUSA has grown rapidly to become a leader in the home-delivery market, with 67 distribution centers, four cross-dock facilities, a fleet of more than 1,300 vehicles, plus an extensive independent agent network. Supporting the growth and maintaining the exceptionally high service levels consumers and retailers expect became more challenging as HDUSA continues to grow more than 30 percent annually. The company felt sustained growth and service excellence would be threatened unless it improved consistency and efficiency across its vast network.

HDUSA uses many independent agents to support its operations, which results in many freight handoffs among HDUSA and non-HDUSA facilities. HDUSA couldn't completely track its shipments because visibility did not extend into agent's

operations. HDUSA therefore could not provide real-time tracking services and timely proof of delivery that it's merchant and consumer customers craved. HDUSA identified the inconsistency in agent operations, and its lack of visibility into them, as leading obstacles to improved service and customer satisfaction.

"We had 67 independent agents who each had their own ways of achieving our goals," said Marc Miller, a senior functional design analyst at HDUSA. "We wanted to improve consistency across our operations and bring franchise-like behavior to our agents."

Their response was to make a major strategic investment to build a real-time tracking system that would reach across all HDUSA and partner operations. The overriding goals for the Service Tracking Automated and Routing System (STARS) were to create consistency among operations, gain visibility into all points of the delivery process, improve efficiency and provide real-time proof of delivery. HomeDirectUSA also identified 13 performance metrics that should be met with at least 98 percent success.

HDUSA connected its vast network by equipping more than 600 drivers with Intermec 760C handheld computers that have three separate integrated radios for real-time communication on a variety of wireless networks. When drivers arrive to start the day, their pickup and delivery instructions, messages and customer notes are communicated to their 760C handheld over a wireless LAN at the facility. The new software applications optimize route plans and loads, using IBM WebSphere software to integrate information from the HDUSA databases and customer orders. All freight movements and transfers within HDUSA and agent facilities are tracked with bar code scanning and wireless LANs. The integrated system gives HDUSA and its customer's real-time visibility into the location of any item.

Visibility continues when trucks take to the road. Drivers can exchange data and messages with the Intermec handheld computers, which communicate wirelessly over the Cingular GPRS network via integrated tri-band radios. Calls into dispatch and telecommunications charges have been significantly reduced since the deployment of the wireless mobile computers.

When drivers arrive at their delivery location, they use the imager built into the 760C to scan the bar codes on items being unloaded. The software application alerts the driver if the wrong item has been picked or if an item is missing. The driver also validates that items were delivered in good condition. If the delivery can't be completed, the reason is logged via a pull-down menu, which saves time compared to making notes

on paper. The customer's signature is captured via the handheld computer's touch screen to complete the delivery. The process is completely paperless for drivers and customers alike, which improves convenience, saves time and eliminates costly mistakes. In the future HDUSA may add mobile printers to issue customer receipts, and utilize the Bluetooth radio in the 760C to communicate with printers and other peripherals.

"The Intermec handheld is the aspect of the system that our customers love the most and that our drivers love the most, because of the information and convenience it provides," said Miller.

Once the customer signs, notification of the completed transaction is sent immediately over the Cingular network to HDUSA headquarters, where numerous applications are updated. HDUSA can start processing an invoice for its merchant customers within about 15 minutes of delivery, compared to 24 hours in the past, which has improved cash flow.

IBM's WebSphere Everyplace Connection Manager software runs on the handheld to manage wireless communication and synchronize with enterprise applications. The software provides seamless roaming between wide and local area wireless networks. At HDUSA headquarters, IBM's WebSphere software manages data from drivers, order management systems, tracking applications and other databases so HDUSA and its customers have access to the information they need in real time.

"The takeaway from this project is to find experienced partners," said Miller. "Managing communications among networks was a challenge, but Intermec solved it for us."

Overtime and other operational expenses have been reduced and on-time deliveries have increased, which provides significant cost savings and strategic advantages according to Bekins CIO Randy Valentino. He expects a full return on investment from the project in about 27 months.

"Our customers see the benefits of the system as well, and that has helped us tremendously from a customer service standpoint," said Valentino.

Now that customers can track their shipments online, there are fewer surprises and service issues. The system has also produced some unexpected efficiency gains in distribution center operations, such as improving productivity and asset utilization, and lowering maintenance costs.

Most importantly, HDUSA has achieved its required consistency and visibility goals. The company continues to grow, satisfying demanding customers and attracting new ones. "This system puts us on par with the UPSs and FedEx of the world in our customers' expectation of technology leadership," said Valentino. "Intermec had the only handheld computer that allowed us to run all the communication modes and applications we wanted, and that has been a key advantage."

#### North America

##### Corporate Headquarters

6001 36th Avenue West  
Everett, Washington 98203  
Phone: (425) 348-2600  
Fax: (425) 355-9551

##### South America & Mexico Headquarters Office

Newport Beach, California  
Phone: (949) 955-0785  
Fax: (949) 756-8782

#### Europe/Middle East &

##### Africa Headquarters Office

Reading, United Kingdom  
Phone: +44 118 923 0800  
Fax: +44 118 923 0801

#### Asia Pacific

Headquarters Office  
Singapore  
Phone: +65 6303 2100  
Fax: +65 6303 2199

#### Internet

[www.intermec.com](http://www.intermec.com)  
Worldwide Locations:  
[www.intermec.com/locations](http://www.intermec.com/locations)

#### Sales

Toll Free NA: (800) 934-3163  
Toll in NA: (425) 348-2726  
Freephone ROW: 00 800 4488 8844  
Toll ROW: +44 134 435 0296

#### OEM Sales

Phone: (425) 348-2762

#### Media Sales

Phone: (513) 874-5882

#### Customer Service and Support

Toll Free NA: (800) 755-5505  
Toll in NA: (425) 356-1799

Copyright © 2007 Intermec Technologies Corporation. All rights reserved. Intermec is a registered trademark of Intermec Technologies Corporation. All other trademarks are the property of their respective owners. Printed in the U.S.A. 611675-01B 02/07

In a continuing effort to improve our products, Intermec Technologies Corporation reserves the right to change specifications and features without prior notice.

