



# View Time

BY KATHLEEN HICKEY

## Toshiba using NTE for all domestic nonparcel shipments of industrial division

**T**oshiba International Corp. is curing some of its freight woes with a dose of NTE. Starting this month, all domestic nonparcel shipments for Toshiba's Industrial Division will be tendered through a private trading community developed by NTE. Toshiba customers and staff also will be able to monitor shipment activity online through the system.

Now "we can do in minutes what used to take hours," said Al Fitzpatrick, director of customer service for the division. "I still decide what carriers get what freight, but without the phone calls and paperwork."

The division's core products are large electric motors and variable speed drives, said Fitzpatrick. Motor sizes range from 55 pounds to 19,000 pounds. "We manufacture and ship it from here," said Fitzpatrick. Toshiba will be using a combination of its preferred core carriers and

carriers that are members of NTE Public Exchange for its shipments.

Toshiba began working with NTE in mid-2000 when it started using NTE's public exchange for spot-market outbound freight moves, said Fitzpatrick. Prior to using NTE, Toshiba had no visibility for its shipments, he said. "Customers weren't notified when a shipment was late or missing," said Fitzpatrick.

Today Toshiba uses NTE for domestic truckload and less-than-truckload inbound and outbound shipments, said Fitzpatrick. "Anything over 1,000 lbs. and farther than 300 miles," he said.

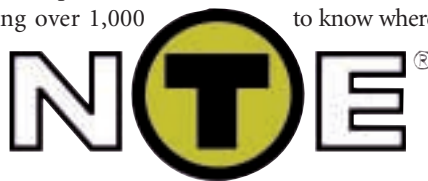
Toshiba went live with NTE's private exchange product NTE TransTrade in March. The private exchange handles Toshiba's outbound shipments and some inbound shipments, said Jim Davidson, president, CEO and

chairman of NTE. The system automatically handles Toshiba's shipping by taking information from Toshiba's enterprise software system, Baan, and putting it into NTE, he said.

Toshiba chose NTE for a variety of reasons, not just for the company but also for its customers and carriers. Toshiba's customers wanted to track and trace their shipments online without calling Toshiba, said Fitzpatrick. And they wanted advance notification if the carrier wasn't going to be able to make the scheduled delivery, he said.

Toshiba's carriers wanted shipment visibility, including specific weights and dimensions, said Fitzpatrick. They wanted to know where shipments were going and what the delivery times were so their operations people "could pre-schedule loads during the day" to load the trucks faster when they came in at night, said Fitzpatrick. And carriers wanted online access to backhaul opportunities, he said.

# TOSHIBA



## About face

**N**TE is a different company from what it was at its inception. Perhaps the biggest change is a focus on private communities rather than its public exchange, said Jim Davidson, president, CEO and chairman of the board. NTE also now is handling contract freight moves in addition to spot market moves and has a shipment visibility tool for its customers, he said.

NTE's solutions include a public exchange, routing, transportation planning and execution, and visibility, said Davidson. Its public exchange, the company's original solution, handles spot market transportation needs and is an alternative to contracted carrier rates. NTE Assured Service automates execution with NTE-negotiated carriers. The company also offers managed services to clients.

In addition to its public exchange, NTE offers four other online technology solutions. NTE automatically places freight through NTE-negotiated or shipper-negotiated contracts via NTE TransTrade, an automated, rules-based routing and shipment tendering engine for a single shipper customer. With TransTrade, shippers can choose which carriers they want to see the freight, creating a private community for that shipper.

NTE TransManage is an online transportation management solution that optimizes rating and routing for single or multiple shippers. NTE ClearView is an order visibility tool for inbound freight. NTE TransPortal is a custom-designed view of these solutions. Each of these solutions can be used by itself or in combination. For example, combining TransTrade with TransManage would give a company the ability to optimize its routing (TransManage) and to automatically tender freight to its core carriers and to the public exchange (TransTrade).

NTE began offering TransManage and ClearView in November 2001, said Davidson. The company went live with its first ClearView customer in early November and plans to be fully live with its first TransManage customer at the end of May, he said.

The company is focused on domestic truckload and less-than-truckload shipments. About five percent of the freight NTE handles travels intermodally, said Davidson. Aside from Toshiba, other NTE customers include Honeywell, Verizon, Willamette Industries and Schneider National.

— by Kathleen Hickey

As for Toshiba, the company had “no real control over our costs as far as discounts with carriers,” said Fitzpatrick. Many of those responsible for shipping selected carriers for personal rather than professional reasons, he said. This was a problem with both outbound and inbound shipments, he said.

Toshiba wanted to improve its on-time performance and lower its percentage of damaged shipments, said Fitzpatrick. The company also was interested in increased shipment visibility and improved communication while shipments were in transit, he said. Everyone — Toshiba, carriers and customers — wanted a system over which, if there was a problem, they could “talk to a specific individual, not an automated phone system,” said Fitzpatrick.

Toshiba also was interested in a flexible system. It wanted to be able to show some shipments to some carriers but not all carriers, said Fitzpatrick. And they needed to

be able “to go in and modify shipments online” when a customer requested additional pieces as part of a shipment, he said.

Toshiba also needed an alternative, when shipments were unable to go on core carriers, without the traffic manager needing to make a decision, said Fitzpatrick.

It took three months for Toshiba to narrow the field to NTE, said Fitzpatrick. “Most companies we looked at in 2000 did not have a proven business model; all they had was a concept,” he said.

The system was piloted for five weeks, said Fitzpatrick. “We saw great results, in savings as well as damaged freight” reductions, he said. Since starting with NTE, Toshiba has recorded only two damaged shipments, he said. The company expects “double-digit savings in the tens of thousands in just the first year,” said Fitz-

patrick. On-time performance also has improved, he said.

Plus, the company has gained complete control over carrier selection, said Fitz-

patrick. Staff selects core carriers 100 percent of the time, versus 60 or 70 percent of the time before, he said.

Toshiba will use its preferred less-than-truckload carriers for its inbound shipments through its private community created by NTE, said Fitzpatrick. If none of Toshiba’s preferred carriers take the shipment, it goes out to NTE’s public exchange, he said. If neither Toshiba’s core carriers nor the exchange pick up the shipment, NTE automatically places it on one of its carriers, said Fitzpatrick. For Toshiba’s outbound freight, shipments go first to NTE’s public exchange at a rate lower than that negotiated with its core carriers. If no one on the exchange picks up the freight, it moves to the company’s six core truckload carriers, he said.

Currently Toshiba is in the process of implementing NTE ClearView, NTE’s order-visibility product. Toshiba plans to be live with ClearView by the summer, said Fitzpatrick. ClearView will give Toshiba greater visibility and automation of its inbound shipments, said Davidson. “The solution is expected to include vendor compliance and reports, exception management notification, transportation planning and execution and shipment monitoring at the purchase order level,” said a spokesperson for NTE. ●



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