



NYK Logistics Decreases Hostler Expenses By 43 Percent

As part of the NYK Group established in 1885, Yusen Logistics (formerly NYK Logistics) provides a business advantage to some of the world's largest retailers, auto manufactures, consumer electronics companies and more. Our services ensure that our customer goods move from production through the supply chain to the end user. Offering air and ocean freight forwarding, global warehousing, transportation, reverse logistics, surface transportation and supply chain solutions, we perform a key role in keeping world trade moving. Globally, Yusen Logistics employs over 17,000 staff across 412 offices.

CHALLENGE: MANUAL INVENTORY SEARCHES

When you're responsible for moving freight for Target, you better be "on target" with your operations to keep up with one of the highest-volume, demanding distribution channels in the world. The Minneapolis-based retailer, which generates annual revenue greater than \$10 billion through its Target, Mervyn's and Marshall Field's stores, relies on NYK Logistics as one of its leading logistics service providers.

The main hub of NYK Logistics' Target activity takes place at the NYK Logistics Long Beach,

California facility – a mammoth 70-acre yard and transload facility featuring 1,200 parking slots and 250 dock doors. NYK is responsible for managing more than 50,000 inbound ocean freight containers from the Port of Los Angeles/Long Beach and 30,000 outbound trailers every year, coordinating on-time shipments to 22 different Target distribution centers across the United States.

As further proof of the dynamic nature and complexity of this yard, NYK Logistics operates 24/7 and processes more than 1,000 gate transactions daily during peak season, checking in and out containers and trailers from 11 different steamship lines and 12-15 domestic carriers.

Historically, NYK Logistics relied on a "home-grown" yard management system, coupled with extensive manual labor to try and manage its everchanging yard. Yard personnel, armed with clipboards, pads of paper and walkie-talkies would constantly roam the yard, manually entering data and scanning bar codes on containers to try to keep up with the current inventory of the yard.

"No matter how many people we threw at the problem – we even used an old pick-up truck to expedite the data collection process – we were always a day late

Customer

NYK Logistics

Goals

The company needed to replace a home grown yard management system and manual searches at its massive Long Beach facility.

Zebra Solutions

Zebra Yard Management System (YMS) Zebra Real-Time Location System (RTLS)

Results

NYK Logistics saves time and money with the automation of more than 90% of yard operations implemented in under 75 days. The time drivers spent on site to complete a double transaction was reduced in half.

About Zebra YMS and RTLS

Gain efficiencies throughout yard operations with a Visible Value Chain Solution. Real-time execution and information planning improves the flow of goods and materials through intelligent yard management.

"Traditional RFID Technology just doesn't cut it for our operations. It's not good enough to know that a trailer or container has entered our yard – we must know its exact whereabouts and status at all times. With the Zebra YMS, we can execute this type of double transaction in less than two hours if need be. We could have never dreamed doing with the old system."

Rick Pople
General Manager of NYK's Long Beach operations

and a dollar short as the saying goes“, said Rick Pople, General Manager of NYK’s Long Beach operations. “And in our case, those days and dollars quickly escalate into the thousands of dollars when you consider higher inventory, more labor, and lengthy yard turns.”

100 PERCENT LOCATION NYK

Logistics put together a long “wish list” of what this new state-of-the-art, yard management solution would offer and deliver. At the top of the list was real-time location information – critical for a high-velocity yard like NYK.

Goals for the system included:

- Increasing revenue through new business as a result of better yard throughput
- Improving Level of Service (LOS) performance through timely processing of containers
- Reducing costs as a result of better gate productivity, improved hostler (tractor) efficiency, and the elimination of manual yard checks

NYK Logistics conducted a comprehensive search, analyzing dozens of vendors, and ultimately selected the Zebra Yard Management (YMS) with an integrated wireless Real Time Locating System (RTLS).

Deployed in a record time of 75 days, the Zebra RTLS solution provides NYK with 100 percent accurate location information for every container, trailer, railcar, and hostler tractor within NYK’s yard. Operating as the “command and control center” of the NYK Logistics yard, the Zebra YMS combined with RTLS enables NYK to automate more than 90 percent of its

yard operations, which has increased dock door utilization, reduced yard congestion, and increased yard throughput.

“Traditional RFID technology just doesn’t cut it for our operations. IT’s not good enough to know that a trailer or container has entered our yard – we must know its exact whereabouts and status at all times. For example, during our peak pre-season, it’s not uncommon that we are required to expedite a container that just arrived at the port, deconsolidate it, and transload its contents onto several different outbound trailers headed for different parts of the country. With the Zebra YMS, we can execute this type of double transaction in less than two hours if need be. We could have never dreamed of doing that with the old system.”

In addition to taking advantage of the latest features of Zebra YMS, NYK Logistics is also benefiting from the complete functionality of the WhereNet RTLS infrastructure that combines both location and mobile communication capabilities in a single integrated system. With an array of 35 WhereNet locating sensors mounted throughout the yard, NYK Logistics has complete coverage of its entire facility.

Upon arrival at the gate, every container or trailer gets “tagged” with a small, active radio transmitter called a WhereTag. From this point forward, NYK Logistics personnel have constant connectivity to their yard assets where they move about the facility. Using RTLS technology, the Zebra YMS sends alerts to equipment operators if a container or trailer has dwelled too long in a location, or was parked in the wrong location.

DRIVERS BACK ON THE ROAD FASTER

Zebra's Yard Management System enables NYK Logistics to operate the most efficient deconsolidation/transload/crossdock business in the world. The YMS Rule Manager offers a configurable rules engine that controls the movement of trailers and containers within the yard. The only human intervention in this process takes place when the hostler receives the request via his wireless tablet PC device, "maps" the location of the requested trailer via his touch screen, and pulls the trailer to or from a designated door.

During the check-in process, a user enters information about the unit and driver, and then attaches a WhereTag to the container or trailer that is about to enter the facility. The system automatically attempts to find a matching Automatic Shipping Notice (ASN) and prints

a ticket for the driver with instructions on where to park and which unit (if any) to pick up. This data is captured in the Zebra YMS database so that NYK Logistics has accurate, automated records of everyone who enters its facility. Based on driver feedback, YMS's fast gate module has resulted in a 50% reduction in time spent on site to complete a double transaction.

"With Zebra, we essentially know the DNA of every container – what's in it, when it arrived at the port, its location on our site, and where the contents ultimately need to be shipped", says Pople. "But what's even more exciting is to consider the awesome potential of Zebra's technology as more 'nodes' are added to the network. When ocean terminals, truck yards, and other distribution centers add local area networks of their own, the shared data will become almost exponentially more powerful. Where we can take this is really almost endless."

