



CASE STUDY

Powering Excellence in Warehouse Management

Cummins Global Logistics relies on JDA's Intelligent Fulfillment solution to deliver excellent customer service

OBJECTIVE

Improve the efficiency of its warehouse operations to provide better aftermarket support for its customers.

SOLUTIONS

- JDA® Warehouse Management
- JDA® Warehouse Labor Management
- JDA® Parcel

SERVICES

- JDA Education Services
- JDA Consulting Services
- JDA Support Services

REAL RESULTS

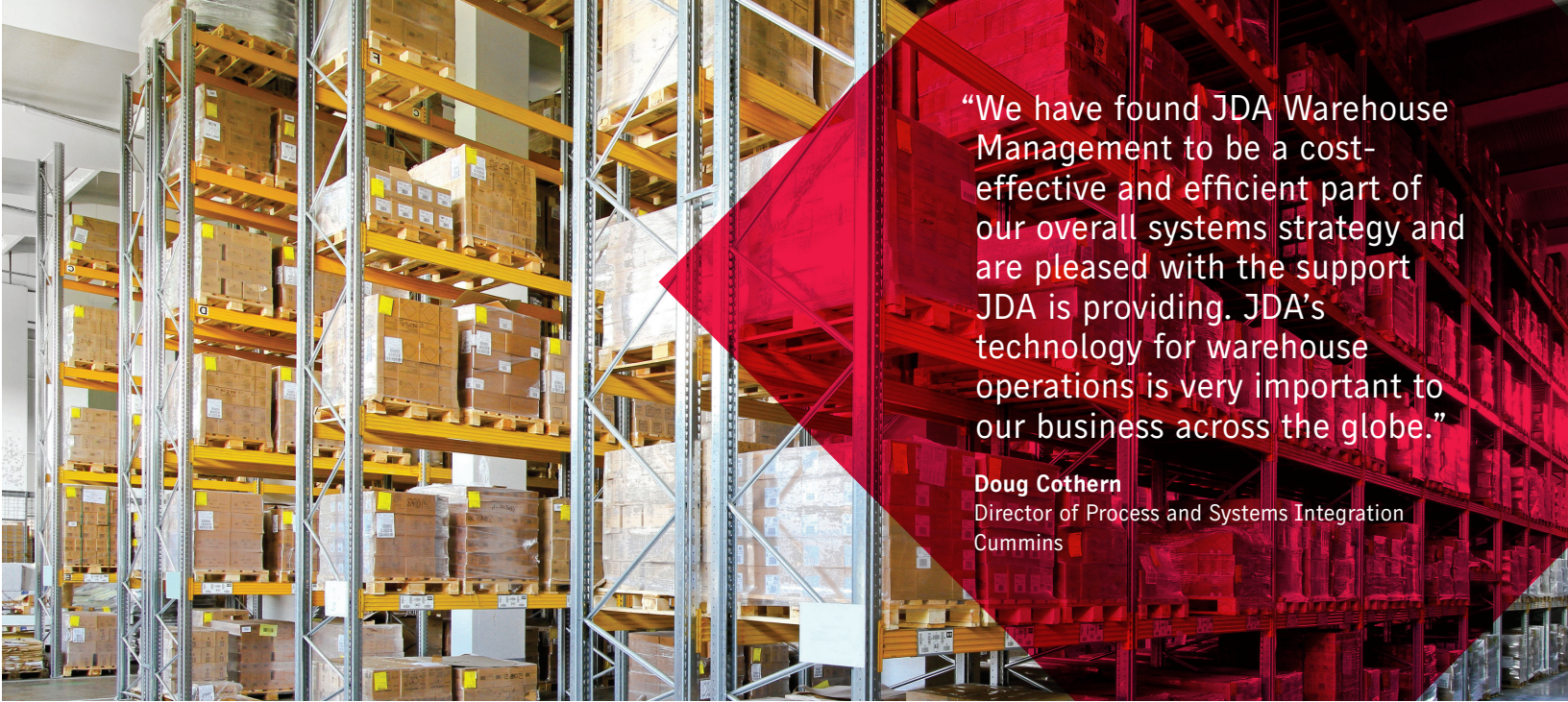
- Achieved a 20 percent gain in warehouse productivity, of which 10 percent has been a result of automating the picking process
- Increased warehouse capacity
- Lowered warehouse costs

Cummins is committed to delivering outstanding service and support to its customers. With 2015 sales of \$19.1 billion, the company is a leading global provider of diesel and natural gas engines and related technologies. Through its Cummins Global Logistics (CGL) unit, it ensures that replacement parts are readily available to Cummins distributors and original equipment manufacturer partners around the world.

Providing aftermarket support to customers in approximately 190 countries requires a sophisticated distribution network that can fulfill orders quickly and accurately. CGL is able to accomplish this feat due to the people, processes, supply chain management strategies and systems that it employs to manage its warehouse and distribution operations.

Nearly a decade ago, the company embarked on a journey to update its warehouse management capabilities in order to support the growing needs of its customers. The in-house warehouse management system (WMS) the company was using at the time was outdated and provided less automation than what was required to support the company's growth. "The choice was whether to continue in-house development to add further automation or pursue a vendor solution. We decided to pursue a vendor solution," said Doug Cothorn, director of process and systems integration, Cummins.

The company evaluated offerings from three vendors, participating in site visits at existing customers' operations, before selecting JDA Warehouse Management, part of JDA Software's Intelligent Fulfillment solution. "We found JDA to have the best mix of the automation features that we required, as well as capabilities for enhanced labor management," said Cothorn.



“We have found JDA Warehouse Management to be a cost-effective and efficient part of our overall systems strategy and are pleased with the support JDA is providing. JDA’s technology for warehouse operations is very important to our business across the globe.”

Doug Cothorn

Director of Process and Systems Integration
Cummins

JDA Warehouse Management features best-in-class warehouse management and barcode technology in a radio frequency environment, which enables CGL to better control and optimize material flow throughout its facilities. The real-time, system-directed picking, packing, cartonization, QA verification, staging, and pack-and-hold management and inventory traceability capabilities support a more efficient and cost-effective warehousing environment.

Deploying WMS globally

Today, JDA Warehouse Management is a major component of Cummins Global Logistics’ Global Systems Suite (GSS), and supports both large and small logistics distribution centers (DCs) around the globe. The GSS is one version of code that is kept up-to-date through three major software releases per year. The GSS is currently running in more than 20 locations in Belgium, Brazil, China, Colombia, Ghana, Mexico, Singapore, South Africa and the United States.

As CGL rolled out JDA Warehouse Management across its global locations, it relied on the expertise of the JDA Services team. “JDA Consulting Services was instrumental in our early implementations. Part of this involved training our internal resources so that we would become as self-reliant as we are today,” said Cothorn.

Thanks to the train-the-trainer approach in early implementations and ongoing on-the-job training, most of CGL’s training is internal. However, the company still turns to JDA as needed. “For new features like labor management, we do rely on JDA for its software training and education,” said Cothorn. “We also find the educational sessions at JDA FOCUS to be very useful, and JDA Support Services continues to be important to our ongoing operations.”

Putting customers first

With the demand for aftermarket support rapidly increasing, CGL is committed to keeping its parts and inventory closer to where it is needed, reducing its customers’ lead times. To support this strategic initiative, the company has been building out its global network of DCs. It is also expanding its next-day delivery programs in the U.S., as it adds regional facilities. The company plans to have GSS running in up to 40 locations by 2020.

“As a logistics company, technology is central to our business. As we have automated more of our warehouse functions with technology, we have increased our capacities and lowered our costs,” said Cothorn.

As a result of the WMS deployments, the company has realized a 20 percent gain in productivity – 10 percent of which has been a result of automating the picking process. The company has also implemented JDA's warehouse labor management technology and is preparing to roll it out to four additional locations by 2020.

“Right now JDA Warehouse Labor Management is in one location,” said Cothorn. “As we roll it out to additional locations, we anticipate 10 percent labor savings at each of our larger facilities.”

With the support of JDA technology, CGL has been able to support significant organic growth, as well as the common business processes used in its new global facilities. “We recommend JDA's WMS solution. We have found JDA Warehouse Management to be a cost-effective and efficient part of our overall systems strategy and are pleased with the support JDA is providing,” said Cothorn. “JDA's technology for warehouse operations is very important to our business across the globe.”



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