

Newsflash

FROM LINDA SWERLING

June 15, 1999 - Level II Solutions is pleased and excited to announce our new web site at www.level2solutions.com. Email Level II Solutions to tell us what you think!

A MERGER CREATES INCREMENTAL GROWTH AND THE OPPORTUNITY TO MOVE TO NEW TECHNOLOGY

PROBLEM:

A perishable goods freight transfer company with almost 50 employees and \$20 million in sales merged with another freight transfer company in order to achieve efficiencies of scale. Several months after the merger, it appeared as though direct labor (cost of goods) was higher than it should have been in the combined entity, and management felt that there was too much paper. Both companies had had good manual systems individually, but neither was automated.

SOLUTION:

The initial task was an evaluation of the workflow of the business to determine if, indeed, the perceptions were true. The analysis showed that although they were using a database, it provided only two parts of the total process - Bill of Lading (BOL) generation and Billing and Collection. Faxed forms from shippers were varied, inconsistent, and often had to be rewritten before product was shipped out.

In order to alleviate the bottleneck, the database structure was redesigned to reflect the flow of the business. Bar code scanners were purchased to speed up and improve accuracy of count on incoming shipments, particularly useful with larger quantities of product. The new system will scan incoming shipments and upload to the database, maintain real time product inventory, and generate BOLs and invoices for outgoing shipments.

RESULTS:

- ◆ The new system - scanners plus database - has increased accuracy and efficiency to enable continued growth.
- ◆ Management is now confident that the merger objective of efficiencies of scale has been achieved.
- ◆ The workflow documentation and standardization has also set the stage for expansion of both the labor force and geographic area served.
- ◆ Even with the significant expenditure for technology, the investment should pay for itself with increased capacity.

As always, Level II Solutions is a resource for problem solving, strategic planning, business start-ups, operations, finance and accounting, cash flow management, information technology, and human resources. Until the next News Flash . . . My best wishes to you for an enjoyable summer.

**LEVEL II
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