



## Culligan and Echo partnership lets each company play to its strengths

Global water products company Culligan likes to focus on what it does best: manufacturing and providing quality water and water treatment solutions. As for its transportation needs, Culligan relies on Echo Global Logistics to do what it does best: make the process economical, efficient and hassle-free.

Since 2007, Culligan has worked with Echo, a premier provider of technology-enabled logistics services based in Chicago, to meet its complex transportation requirements. Headquartered in Rosemont, Ill., Culligan maintains an extensive network that includes more than 800 franchise dealers in more than 90 countries.

The initial wish list Culligan had for Echo included trimming transportation costs, streamlining logistics operations, enhancing the accuracy of pickups and deliveries, and improving documentation. Echo has provided all that and more, taking the time to analyze Culligan transportation flow and develop customized solutions for the company.

“The key benefit that Echo brings is a focus on the client,” says Pete Ross, global supply chain vice president for Culligan. “Every day they ask, ‘What do I need to do to help our client accomplish their goals and make it seamless for them?’”

### Unprecedented accuracy

Echo has merged the Culligan logistics system with its own proprietary Evolved Transportation Management™ technology platform, allowing Culligan to redeploy three of its employees to other activities. Echo selects appropriate carriers for more than 100 inbound and outbound daily shipments, codes the shipments for improved accuracy, and provides consolidated tracking information to Culligan multiple times a day.

Echo has extremely high standards for handling Culligan shipments, requiring that 99.5 percent of shipments are exception-free and 97 percent are on time. Echo maintains carrier scorecards so Culligan can see how carriers are performing and is available 24 hours a day to resolve any issues promptly.

“Echo has brought a level of accuracy to our logistics that we had never experienced before,” says Donald Avent, director of sourcing for Culligan. “Everything they’ve done for us has met or exceeded our original expectations.”

//

Echo really **understands our business**. It's almost like our contacts at Echo have become Culligan employees.

//

Billing is also much simpler with Echo on board. Echo reviews carrier invoices for accuracy and consolidates them into one bill for Culligan. The company also provides precise forecasts for future logistics costs so Culligan can accrue and allocate the costs appropriately.

Additionally, Culligan relies on the reporting capabilities Echo provides to make informed business decisions. A key Culligan performance indicator is the cost per ton per mile for freight, which Echo reports monthly for inbound and outbound traffic. Thanks to those reports, Culligan is able to monitor that figure carefully and make adjustments as needed.

"We're a lean organization, and we're not invested in a lot of IT tools," Ross says. "Echo does the things we couldn't do, and they do them better than we ever could."

## Customized solutions

Throughout their partnership, Echo has developed customized programs to meet the unique needs of Culligan. For example, Culligan used to have many less-than-truckload inbound vendor shipments. Echo suggested implementing "milk runs," where a truck makes multiple stops to pick up the shipments and deliver them to their final destination. Not only is this method less expensive, Culligan has also reduced transit times, allowing the company to receive additional savings through vendor rebates.

In addition, Echo now oversees the company's North American Free Trade Agreement (NAFTA) duties, which a purchasing employee handled previously. Culligan is compliant with all government regulations, and the company wanted a more robust process that ensured proper coding of all materials for customs duty assessment. Culligan breathes easier knowing that Echo has the expertise to manage the NAFTA program correctly. The new arrangement has freed

up the employee to focus on her primary responsibilities, and the relationships Echo has with industry contacts allow it to secure more competitive and accurate NAFTA tariff rates than Culligan received before.

The assessment of the Culligan network conducted by Echo has prompted other optimization projects around the world as well. To reduce transportation costs and normalize inventory levels for Culligan, Echo recommended establishing a consolidation point in Taiwan to combine goods from various suppliers into containers to ship regularly to the United States. The plan worked so well, Culligan is now considering similar consolidation points in other countries.

Echo also suggested routing adjustments after discovering freight was traveling from overseas to California to Chicago, where workers would break it down and return half to California. Now, Culligan breaks down the shipment in California, saving time and resources.

"Echo really understands our business," Avent says. "It's almost like our contacts at Echo have become Culligan employees."

## Communication is key

To keep the relationship as strong as possible, Echo and Culligan make frequent communication a priority. The companies have biweekly continuous improvement meetings, and Echo spends a lot of time getting to know Culligan employees face to face. In 2011, Echo visited 14 of the Culligan domestic distribution centers, allowing the company to get acquainted with local workers and identify further opportunities for logistics improvement.

"We have an open, collaborative engagement with them," Ross says. "I think they're one of our top-performing suppliers in any category."